

By Mr. ENGLE of California:

H. R. 5092. A bill to authorize mining, milling, or smelting loans, and for other purposes; to the Committee on Banking and Currency.

H. R. 5093. A bill to provide for the relief of owners of mines required to suspend operations by reason of restrictions arising from the war effort and for suspending the enforcement of certain obligations against the operators of mines who are forced to cease operations because of the war; to the Committee on Banking and Currency.

By Mr. ANDERSON of California:

H. R. 5094. A bill to provide, in the case of wage and salary payments made in contravention of the Stabilization Act of 1942, that the lawful portion of such payments shall be allowed as costs or expenses of the employer; to the Committee on Banking and Currency.

By Mr. HENDRICKS:

H. R. 5095. A bill to provide for the erection of memorial stones in national cemeteries for certain servicemen determined to be missing or missing in action or buried at sea; to the Committee on Military Affairs.

By Mr. RAMSPECK:

H. R. 5096 (by request). A bill to amend the Classification Act of 1923, as amended, so as to authorize additional within-grade advancements as rewards for superior accomplishment; to the Committee on the Civil Service.

H. R. 5097 (by request). A bill to facilitate the recruitment of persons for Federal employment; to the Committee on the Civil Service.

H. R. 5098 (by request). A bill to amend the War Overtime Pay Act of 1943, relating to the payment of overtime compensation to Government employees, and for other purposes; to the Committee on the Civil Service.

H. R. 5099 (by request). A bill to authorize the establishment of maximum and minimum rates of pay for classes of positions within the several grades under the Classification Act of 1923, as amended; to the Committee on the Civil Service.

By Mr. REES of Kansas:

H. R. 5100. A bill to further amend the Classification Act of 1923, as amended; to clarify the meaning of references in the act to number of employees supervised and size of organization unit; and for other purposes; to the Committee on the Civil Service.

By Mr. BUSBEY:

H. R. 5101. A bill to provide a penalty for the unlawful destruction of Government records, and for other purposes; to the Committee on the Disposition of Executive Papers.

By Mrs. NORTON:

H. R. 5102. A bill to promote the principle of equal pay for equal work; to the Committee on Labor.

By Mrs. ROGERS of Massachusetts:

H. R. 5103. A bill to provide for the establishment of a permanent Nurse Corps in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. SIMPSON of Illinois:

H. R. 5104. A bill to provide for the transfer of civilian defense fire-fighting equipment to municipalities and other local subdivisions of the States; to the Committee on Expenditures in the Executive Departments.

By Mr. BLOOM:

H. Res. 610. Resolution protesting the extermination by the Nazis of minorities in Hungary and other Nazi-controlled territories; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing

the President and the Congress of the United States to enact H. R. 4184 and other bills; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to use their good offices with the proper authorities to continue deferments from military service of boners in the meat-packing industry and others; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 5105. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Mabel K. Young, the Hagerstown Hosiery Co., Inc., John R. Fisher, and the Central Insurance Co. of Baltimore; to the Committee on Claims.

By Mr. GILLESPIE:

H. R. 5106. A bill for the relief of Mrs. Eugenie U. Bolstad; to the Committee on Claims.

By Mr. GORE:

H. R. 5107. A bill for the relief of Mrs. Lillian Adams and Pleas Baker; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5108. A bill for the relief of Fred A. Dimler and Gwendolyn Dimler, his wife; to the Committee on Claims.

H. R. 5109. A bill for the relief of Mrs. J. W. McMurray, R. T. Latham, G. B. Cooper, L. W. Pearson, and Billups Oil Co.; to the Committee on Claims.

By Mr. O'BRIEN of Michigan:

H. R. 5110. A bill for the relief of Robert June; to the Committee on Claims.

By Mr. ROONEY:

H. R. 5111. A bill for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors; to the Committee on Claims.

By Mr. SATTERFIELD:

H. R. 5112. A bill for the relief of certain commissioned officers of the Navy, Marine Corps, and Coast Guard; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

H. R. 5113. A bill for the relief of William Henry Bergmann; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5911. By Mr. POULSON: Petition of sundry citizens of Eagle Rock, Los Angeles, Calif., for an immediate hearing and speedy and favorable report on House bill 2082, prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5912. By Mr. ROWAN: Memorial of Illinois and Cook County Boards of the Ancient Order of Hibernians in America and Ladies' Auxiliary, Chicago, Ill.; to the Committee on Foreign Affairs.

5913. By the SPEAKER: Petition of the California (State) Commandery, the Naval and Military Order of the Spanish-American War, petitioning consideration of their resolution with reference to the enactment of legislation necessary to outlaw strikes in plants that are engaged in the production of war materials; to the Committee on Labor.

5914. Also, petition of the General Assembly of the Puerto Rico Farmers Association, San Juan, P. R., petitioning consideration of

their resolution with reference to the immediate removal of the Governor of Puerto Rico, Rexford G. Tugwell, and others; to the Committee on Insular Affairs.

SENATE

FRIDAY, JUNE 23, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, our Father, who art the source of all our blessings, we rejoice that the treasury of Thy goodness is inexhaustible, grant that daily we may render unto Thee the tribute of our heartfelt praise and show forth our gratitude in lives of devotion.

When this Congress adjourns may all whom Thou hast entrusted with positions of leadership and service in the life of our Republic, during these difficult and perilous days, receive Thy benediction, "Well done, good and faithful servant."

We commend one another and all the citizens of our beloved country, wherever they may be, to Thy care and keeping. We know not what the future has in store for us, but we will trust and not be afraid, for we have the glad assurances that as our days, so also shall our strength be, and that no good thing wilt Thou withhold from those who do justly, love mercy, and walk humbly with the Lord, their God.

Hear us in the name of the Christ, our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 22, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 22, 1944, the President had approved and signed the act (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1173. A bill to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the

security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes; and

S. 1894. A bill to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3187. An act to amend section 5, Public Law 140, Seventy-seventh Congress;

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands;

H. R. 4958. An act to amend the Transportation of Explosives Act; and

H. J. Res. 223. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran.

STATEMENT BY PRESIDENT ON SIGNING G. I. BILL OF RIGHTS AND STATEMENT BY SENATOR WAGNER

Mr. WAGNER. Mr. President, yesterday President Roosevelt signed the Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights. This bill is a tremendous step forward in advancing the social security of our service men and women. On signing this bill the President issued a very informative statement which every Senator will want to read carefully, particularly because the President urges consideration of additional legislation when Congress convenes to take care of the remaining readjustment problems of veterans as well as civilian war workers. I ask unanimous consent to have printed in the RECORD as a part of my remarks the President's statement, and also an address which I delivered last night over the Mutual Network entitled "G. I. Bill of Rights for Servicemen."

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). Without objection, it is so ordered.

The President's statement and the address delivered by Senator WAGNER were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT ON SIGNING S. 1767

This bill, which I have signed today, substantially carries out most of the recommendations made by me in a speech on July 28, 1943, and more specifically in messages to the Congress dated October 27, 1943, and November 23, 1943:

1. It gives service men and women the opportunity of resuming their education or technical training after discharge, or of taking a refresher or retraining course, not only without tuition charge up to \$500 per school year, but with the right to receive a monthly living allowance while pursuing their studies.

2. It makes provision for the guaranty by the Federal Government of not to exceed 50 percent of certain loans made to veterans for the purchase or construction of homes, farms, and business properties.

3. It provides for reasonable unemployment allowances payable each week up to a

maximum period of 1 year, to those veterans who are unable to find a job.

4. It establishes improved machinery for effective job counseling for veterans and for finding jobs for returning soldiers and sailors.

5. It authorizes the construction of all necessary additional hospital facilities.

6. It strengthens the authority of the Veterans' Administration to enable it to discharge its existing and added responsibilities with promptness and efficiency.

With the signing of this bill a well-rounded program of special veterans' benefits is nearly completed. It gives emphatic notice to the men and women in our armed forces that the American people do not intend to let them down.

By prior legislation, the Federal Government has already provided for the armed forces of this war adequate dependency allowances; mustering-out pay; generous hospitalization, medical care, and vocational rehabilitation and training; liberal pensions in case of death or disability in military service; substantial war-risk life insurance, and guaranty of premiums on commercial policies during service; protection of civil rights and suspension of enforcement of certain civil liabilities during service; emergency maternal care for wives of enlisted men; and reemployment rights for returning veterans.

This bill therefore and the former legislation provide the special benefits which are due to the members of our armed forces—for they "have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us, and are entitled to definite action to help take care of their special problems." While further study and experience may suggest some changes and improvements, the Congress is to be congratulated on the prompt action it has taken.

There still remains one recommendation which I made on November 23, 1943, which I trust that the Congress will soon adopt—the extension of social-security credits under the Federal old-age and survivors' insurance law to all service men and women for the period of their service.

I trust that the Congress will also soon provide similar opportunities for post-war education and unemployment insurance to the members of the merchant marine, who have risked their lives time and again during this war for the welfare of their country.

But apart from these special benefits which fulfill the special needs of veterans, there is still much to be done.

As I stated in my message to the Congress of November 23, 1943:

"What our service men and women want, more than anything else, is the assurance of satisfactory employment upon their return to civil life. The first task after the war is to provide employment for them and for our demobilized workers. * * * The goal after the war should be the maximum utilization of our human and material resources."

As a related problem the Congress has had under consideration the serious problem of economic reconversion and readjustment after the war, so that private industry will be able to provide jobs for the largest possible number. This time we have wisely begun to make plans in advance of the day of peace, in full confidence that our war workers will remain at their essential war jobs as long as necessary until the fighting is over.

The executive branch of the Government has taken, and is taking, whatever steps it can, until legislation is enacted. I am glad to learn that the Congress has agreed on a bill to facilitate the prompt settlement of terminated contracts. I hope that the Congress will also take prompt action, when it reconvenes, on necessary legislation which is now pending to facilitate the development

of unified programs for the demobilization of civilian war workers, for their reemployment in peacetime pursuits, and for provision, in cooperation with the States, of appropriate unemployment benefits during the transition from war to peace. I hope also that the Congress, upon its return, will take prompt action on the pending legislation to facilitate the orderly disposition of surplus property.

A sound post-war economy is a major present responsibility.

THE G. I. BILL OF RIGHTS FOR SERVICEMEN—S. 1767

(By. Hon. ROBERT F. WAGNER, of New York)

My friends, though we are deep in a crucial phase of the war, with millions of men fighting to preserve freedom and decency in the world, it is none too soon to give attention to the problems of returning servicemen and women. The Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights, was signed by President Roosevelt at the White House today. It is one of several laws to the development of which the American Legion and other veterans' organizations have made such a splendid contribution—all of them designed to repay, in some small measure, the brave men and women who are forging victory at the risk of their lives. But, in a larger sense, we cannot repay this debt. No money can compensate for the sacrifices that military service demands. Rather, it is for us to make the country our servicemen return to, the kind of land they fight for, a land of opportunity, security, and peace, a land where every man has a chance to work and develop to his fullest capacity.

SOCIAL SECURITY FOR VETERANS

Over a million men and women already have been discharged from active service. Every month, thousands more return to civilian life. We must make sure that the return of veterans to civilian life is so arranged that their skills and abilities are fully put to use, and rewarded. They must not be placed in the position of liberating the world from aggression, only to return to a world where they cannot find real opportunities for themselves and their families.

I know, from letters I have received from servicemen, and from my son who is serving in the Air Force overseas that what they want most of all when they come back are jobs—not just any job, but constructive, useful work, at adequate wages, with good working conditions, and with opportunity for individual initiative and advancement. Next to jobs, they want a chance to better themselves through education and retraining. Finally, they want mustering-out pay, and social insurance protection to help them during the adjustment to civilian life, and to safeguard themselves and their families in the future.

To what extent does the G. I. bill of rights answer the needs of our veterans? It does not, of course, provide jobs. For that we must rely on the cooperation and planning of business, Government, and labor. But this bill, plus various other bills already passed by Congress, and others still pending, will help materially in creating the full employment we aim to achieve.

PENSIONS AND MEDICAL CARE

Let me mention, briefly, what is already provided for our servicemen. First of all, Congress has made provision for pensions for those disabled in combat, and in addition to national service life insurance sold at cost, has also provided pensions for the widows and orphans of those who die. It has also provided a lump-sum payment of 6 months' salary to the dependents of those who die while in the service. If a veteran

is disabled, there is available to him vocational training to prepare him for a new job. Furthermore, and this is not generally known, Congress has provided for all service men and service women, whether disabled or not, medical and hospital care at Government expense, not only while in the service but for the rest of their lives. Such medical care is provided through the Government hospitals and medical facilities of the Veterans' Administration. Moreover, Congress has also provided, under certain circumstances, disability pensions for wounded veterans and survivors' pensions for their dependents, even if the disability or death is not connected with military service. Thus, the veterans already have a large measure of social security.

CONSTRUCTION OF HOSPITALS

The very first section of the G. I. bill of rights provides additional funds for the construction and expansion of hospital facilities. The sick and wounded must be the first concern of the Nation. All of the miracles of modern medicine can be employed through these means to restore health to the men who are fighting for us on beach heads all over the world.

FEDERAL VETERANS' PLACEMENT BOARD

To help the veteran when he is ready to find a job the G. I. bill establishes an effective Veterans' Placement Service Board within the United States Employment Service. This Board consists of the Veterans' Administrator, as Chairman, the Federal Security Administrator, and the Director of Selective Service. In this way the full weight of the National Government has been placed behind the Veterans' Employment Service, under a single line of command. A veterans' employment representative, responsible to the Board, will be attached to the staff of the United States Employment Service in each State and locality. It will be his duty to see that employers are encouraged to hire veterans, that veterans register for employment, and that the laws pertaining to veterans' employment rights are enforced.

EDUCATIONAL ALLOWANCES FOR VETERANS

War interrupted the education and training of many of our young men and women. Other persons may have become rusty in their civilian skills. And many servicemen will want refresher courses after the war, so that they can adapt the skills they learned while in the services to some peacetime use. To help these veterans, the G. I. bill of rights makes it possible for anyone who has served 90 days, or who was discharged earlier for disability connected with service, to continue his education. Depending on their length of service and their age when inducted, veterans are eligible for 1 to 4 years of education or training. The G. I. bill authorizes the payment to the veteran of an allowance of \$50 a month while he is receiving education or training, with an additional \$25 a month if he has dependents. It also provides for paying educational institutions up to \$500 for each veteran enrolled during the school year, to cover tuition, fees, books, and so forth.

I consider this education provision one of the most important parts of the G. I. bill—important not only for the veteran and his family, but for the Nation. The future of our country depends in great measure on the quality and extent of the education of our citizens. There should be a new birth of creative activity after the war—new inventions in science, new cultural developments, and, most important of all, new social inventions to harness the economic and political forces of the world, so that they will serve mankind instead of destroying him. Just as the free public-school system has been a tremendous force for democracy, this provision for the education of millions of men and women re-

leases unlimited resources in our young people.

LOANS TO VETERANS

The G. I. bill contains two other important programs. One is a provision for loans, and the two other a provision for unemployment compensation. Under the loan provision, the Government will stand back of veterans and guarantee up to 50 percent of the amount of the money they borrow, but the amount guaranteed is limited to \$2,000. The bill specifies that these loans must be used by the veterans for building homes, or investing in farms, or in business property. This is very important in helping veterans to reestablish themselves on a firm basis in civilian life.

FEDERAL UNEMPLOYMENT BENEFITS

The provision for unemployment compensation is one in which I take great pride, for I introduced it and sponsored it many months ago—along with the provision for a veterans' employment service.

Immediately after the war, we will go through a difficult period of adjustment. Industry will be converting to peacetime products. Perhaps half the regular working forces of the country will have to find their place again in peacetime enterprise. Many veterans may exhaust their mustering-out pay and educational allowance, and on registering with the Veterans' Employment Service, find that no job is immediately available. Many men entered the Army without previous regular employment. Furthermore, many veterans who had worked only a short time before the war—perhaps in unskilled work—will expect and should get more highly skilled jobs for which their training in service has qualified them. Finally, no one can guarantee that a particular job will be a continuing job. To protect servicemen during periods of joblessness, it was necessary that Congress enact Federal unemployment compensation for veterans.

STATE UNEMPLOYMENT BENEFITS INADEQUATE

Only half of the returning veterans would have had some rights under any of the 48 different State unemployment insurance systems. Those with rights would have found the benefits under the State laws too small and the number of weeks they get them too few. The G. I. bill of rights provides for a uniform amount of benefit for a guaranteed period of time. These benefits are, of course, Federal benefits, for the Congress felt that those provided under State laws were inadequate, and since all veterans have participated in Federal military service, they should all have equal rights to unemployment payments. The bill provides unemployment benefits of \$20 a week up to 52 weeks.

The unemployment insurance provision also includes payments to the veteran who is self-employed, in a business, profession, or other vocation. If a veteran's income is less than \$100 a month, he will be entitled to the difference between his net earnings and \$100. For example, if the income from his business or profession is only \$75 a month, he will be entitled to \$25 unemployment insurance from the Federal Government.

These unemployment insurance provisions of the G. I. bill of rights are to be administered by the Veterans' Administrator, who may use the existing facilities of the Federal and State agencies to pay the benefits to servicemen. Unemployment benefits will become payable beginning with the week of September 4, 1944.

OLD-AGE AND SURVIVORS INSURANCE

There is one important point, however, that is not taken care of in the G. I. bill. No provision is included to protect the social-

security rights of veterans under the old-age and survivors' insurance program of the Social Security Board. Unless action is taken the social security protection of servicemen will be reduced and some will lose it entirely. There will be a loss of thousands of dollars in insurance rights in the case of those who are killed in action or who die after they are demobilized and before they have built up their rights again. In such cases, widows and other dependents may find themselves with no claim at all to old-age and survivors insurance benefits. The loss will be particularly serious in the case of those who die from causes not connected with their military service shortly after demobilization. Under existing laws the families of such men may get neither veterans' benefits nor social-security benefits.

Some time ago I introduced a bill in the Senate, S. 1813, to correct this unfair situation. That bill is still pending, although Congress has taken no action on it. It would not only preserve the social-security rights service men and women had earned prior to induction, but would build up their rights in the same way as those now in civilian employment. The bill is endorsed by the various veterans' organizations. I hope that Congress will pass this bill when it reconvenes this fall.

WAGNER-MURRAY-DINGELL BILL—S. 1161

In the last analysis, veterans' legislation as such cannot guarantee the heroes of this war the security and opportunity for which they are ready to give their lives, for the security of the veteran depends on the prosperity of the whole Nation. More and more we realize that though an individual's rights must be defended, no individual can stand alone. All of us have responsibilities to each other and to the community, which we must fulfill if we are to survive as a Nation. It is not enough that we provide protection to the veteran. We must provide adequate social-security protection to his family as well. Therefore, I am urging action on other bills in Congress—notably S. 1161, known as the Wagner-Murray-Dingell bill for social security—to assure for the wives and children of veterans and for the millions of other persons in our country, insurance protection against the five major hazards of life: unemployment, sickness, disability, old age, and death. This bill would not provide a feather-bed for the indolent; rather it would provide a safeguard for our system of free enterprise, which cannot function properly if large portions of the population are without income.

The welfare of the veteran is the welfare of the Nation. Though this G. I. bill of rights protects him during the transition period back to civilian life, his well-being in the long view must rest with the kind of country we build for him and for all of us, as well as the kind of relations we establish with the other nations of the world. It is only through our ability to make this earth a truly civilized planet, that we can guarantee a full measure of security to the veterans—security not only after the war, but security against all future wars.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE) laid before the Senate the following letters, which were referred as indicated:

LAND ACQUISITION BY NAVY FOR SHIP REPAIR FACILITIES

A letter from the Secretary of the Navy, reporting, pursuant to law, in relation to the acquisition of land for naval ship-repair facilities; to the Committee on Naval Affairs.

PERSONNEL REQUIREMENTS

Letters from the Chairman of the Interstate Commerce Commission, the Director of the Selective Service System, and the administrative officer of the President's Committee on Fair Employment Practices, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore and referred as indicated:

A resolution of the House of Representatives of the Commonwealth of Kentucky; to the Committee on the Judiciary:

"Resolution repudiating House Resolution 79 of the regular session of the 1944 general assembly

"Whereas by House Resolution No. 79 of the regular session of the 1944 general assembly, application was made to the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States relating to taxes on incomes, inheritances, and gifts; and

"Whereas such resolution was adopted by the general assembly under a misapprehension as to its true meaning, intent and purpose, and without a full consideration of the results that might obtain from such action; and

"Whereas the amendment proposed in such resolution establishes a policy with regard to taxation that is contrary to the established public policy of Kentucky, and would impose the burden of taxation upon those least able to bear it: Now, therefore, be it

"Resolved by the house of representatives of the Commonwealth of Kentucky:

"That House Resolution No. 79 of the regular session of the 1944 general assembly is hereby repudiated and the house of representatives does withdraw from the same.

"The secretary of state is directed to send a duly certified copy of this resolution to the Senate of the United States and to the House of Representatives of the United States."

A resolution by the Municipal Assembly of Aguada, P. R., endorsing a resolution recently introduced in the House of Representatives by Mr. McGEHEE, relating to the prompt removal of Rexford G. Tugwell as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS AND OF THE LIQUOR TRAFFIC DURING THE WAR—PETITIONS

Mr. JOHNSON of Colorado. Mr. President, I have some petitions which have been sent to me from constituents in my State.

They relate to Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States, and House bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war. There are 8,472 signatures on these petitions and I ask consent to present them and that they be appropriately referred, and also that there be printed in the RECORD a tabulation showing the names of places in Colorado from which the petitions have come, as well as information showing the number of petitions coming from each place.

The ACTING PRESIDENT pro tempore. Without objection, the petitions presented by the Senator from Colorado

will be received and appropriately referred, and the tabulation will be printed in the RECORD.

The tabulation is as follows:

Petitions on S. 860 and H. R. 2082

Colorado:	
Akron.....	46
Alamosa.....	14
Arriba.....	40
Arvada.....	115
Ault.....	97
Austin.....	44
Bellvue.....	47
Berthoud.....	213
Boulder.....	555
Briggsdale.....	5
Canon City.....	118
Cedaredge.....	62
Center.....	44
Clifton.....	37
Colorado Springs.....	809
De Beque.....	28
Denver.....	1,598
Dolores.....	188
Dove Creek.....	28
Durango.....	94
Englewood.....	53
Estes Park.....	28
Fort Collins.....	101
Fleming.....	66
Golden.....	28
Grand Junction.....	669
Grand Valley.....	62
Greeley.....	382
Grover.....	55
Haxtun.....	80
Holyoke.....	202
Hooper.....	28
Hotchkiss.....	117
Jaroso.....	27
Kendrick.....	55
Kersey.....	26
Lakewood.....	10
La Junta.....	490
Lamar.....	70
La Porte.....	28
La Salle.....	62
Littleton.....	55
Longmont.....	261
Loveland.....	29
Mancos.....	20
Manzanola.....	8
Monte Vista.....	50
Montrose.....	55
Olathe.....	164
Palisade.....	145
Pueblo.....	331
Sterling.....	318
Weld.....	38
Willard.....	36
Wray.....	51
Yuma.....	90
Total.....	8,472

ORGANIZATION OF THE CONGRESS—REPORT OF THE RULES COMMITTEE

Mr. BYRD. Mr. President, from the Committee on Rules I report favorably with amendments Senate Concurrent Resolution 23, establishing a Joint Committee on the Organization of the Congress, and I submit a report (No. 1034) thereon. This is known as the Maloney resolution providing for a reorganization of the committees of the Senate and House, and providing for a recommendation to be made to both bodies.

The ACTING PRESIDENT pro tempore. Without objection, the concurrent resolution will be received and placed on the calendar.

COMPENSATION OF TEMPORARY CLERK, COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the

Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 311 and ask unanimous consent for its present consideration.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 311) submitted by Mr. HATCH on June 16, 1944, as follows:

Resolved, That the compensation of the assistant clerk employed by the Committee on Public Lands and Surveys under Senate Resolution 245, Seventy-seventh Congress, as continued by Senate Resolution 307, Seventy-seventh Congress, shall hereafter be at the rate of \$1,800 per annum, and \$1,500 additional so long as the position is held by the present incumbent.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. McKELLAR. Mr. President, I inquire what is the amount of the increase in compensation?

Mr. LUCAS. The amount of \$300 per annum. I will say to the Senator from Tennessee that the lady is now getting \$1,500 a year and it is sought to increase her compensation by \$300.

Mr. HATCH. Mr. President, that is not quite correct; she receives more than that now.

Mr. LUCAS. The resolution provides for an increase from \$1,500 to \$1,800.

Mr. HATCH. Yes; but there is a combination of salaries. The lady has not had an increase in 4 years' time, and the resolution does increase the compensation \$420 a year. That is the exact amount. I heard the Senator say she gets \$1,500; she really gets \$2,800.

Mr. LUCAS. The resolution states that her salary is being increased from \$1,500 to \$1,800 a year in the particular position she now holds.

Mr. HATCH. I think the Senator is correct, but I did not want anyone to be misled.

Mr. LUCAS. I am glad the Senator has made the statement he has.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

JAMES D. REILLY

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate resolution 78, and ask for its immediate consideration. I request that the clerk read the resolution.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 78) submitted by the late Senator McNary on January 21, 1943, as follows:

Resolved, That the Sergeant at Arms of the Senate be, and he is hereby, authorized and directed to appoint James D. Reilly a messenger (acting as an additional assistant doorkeeper), who shall be paid at the rate of \$2,400 per annum from the contingent fund of the Senate until otherwise provided by law.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The

Chair hears none, and, without objection, the resolution is agreed to.

Mr. LUCAS. Mr. President, did the Senator from Maine desire to say something about the resolution?

Mr. WHITE. No; I really do not. I had two reports about the resolution, one that the Senator was asking for its immediate consideration, and second that it was simply to go to the calendar. I am not going to object to it. Is the Senator asking for the adoption of the resolution?

Mr. LUCAS. I was asking for its consideration. Of course, if the Senator wants it to go to the calendar it is perfectly all right with me. Those in authority tell me that the resolution would more or less set a precedent, but it was submitted by the former minority leader, the late Senator McNary, of Oregon.

I will say to the Senator from Tennessee that this resolution was presented by the late Senator McNary; it was referred to the committee of which the senior Senator from Illinois is chairman. It authorizes and directs the Sergeant at Arms of the Senate "to appoint James D. Reilly a messenger—acting as an additional assistant doorkeeper—who shall be paid at the rate of \$2,400 per annum, from the contingent fund of the Senate until otherwise provided by law."

I should like to ask the senior Senator from Tennessee whether or not this request has been presented to the Appropriations Committee.

Mr. McKELLAR. I do not recall that it has. Is the salary provided the same as that other doorkeepers or messengers are paid?

Mr. LUCAS. I am not sure about the rate at which other doorkeepers are paid. Mr. Reilly has been here a long, long time, and out of respect to the late Senator McNary, the resolution has been reported.

Mr. McKELLAR. I am not going to object to the resolution. Mr. Reilly is a very fine man and a very worthy and efficient official.

Mr. LUCAS. I was seeking the opinion of the Senator from Tennessee, because there seems to be some question about a precedent being established by the resolution.

Mr. McKELLAR. That is what I am afraid of, but I have no objection to raising the salary, if it is in conformity with other salaries for similar positions.

Mr. WHITE. Mr. President, in view of the fact that this is a matter in which the late Senator McNary was interested, I cannot find it in my heart to voice any objection to the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The resolution has been agreed to.

ADDITIONAL REPORT OF SPECIAL COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM—MERCHANT SHIPPING (PT. 18 OF REPT. NO. 10)—AUTHORITY TO FILE REPORTS

Mr. KILGORE. Mr. President, on behalf of the Special Committee Investigating the National Defense Program I desire to file part 18 of Report No. 10 of

the investigation pertaining to the merchant shipping program. The committee investigated the merchant ship construction and operation program, and files this report with certain recommendations, particularly with reference to the use of Liberty ships for the transportation of personnel or hospital cases, and strenuously urges that the program of all shipbuilding be amended to prevent this except in the direst emergency.

I should like to also ask unanimous consent of the Senate, inasmuch as there are two or three other reports in process of completion and almost completed, to file those reports during the recess, on behalf of the committee, when they shall have been approved by the committee.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered; and, without objection, the report submitted by the Senator from West Virginia will be received and printed.

BOUNDARY LINE BETWEEN NEW YORK AND RHODE ISLAND

Mr. HATCH. Mr. President, the Committee on the Judiciary met this morning to consider House Joint Resolution 138, which relates to the boundary line between the States of New York and Rhode Island. The two States have entered into a compact which has been approved by both of them. The joint resolution has passed the House, and the Committee on the Judiciary has authorized me to report the joint resolution favorably, without amendment, which I now do. I ask unanimous consent that the joint resolution may be considered at this time.

Mr. WHITE. Mr. President, I understand it is a formal resolution, usual in character, consenting to a compact between the two States?

Mr. HATCH. That is correct.

The ACTING PRESIDENT pro tempore. The clerk will state the joint resolution by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 138) granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HOLMAN. Mr. President, I should like to ask the Senator from New Mexico if the joint resolution is not about 150 years late?

Mr. HATCH. The Senator will have to ask the Senator from Rhode Island about that.

The ACTING PRESIDENT pro tempore. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

INVESTIGATION OF RURAL ELECTRIFICATION ADMINISTRATION—INTERIM REPORT ON HEARINGS OF SUBCOMMITTEE OF SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD an interim report of the subcommittee of the Senate Committee on Agriculture and Forestry on hearings on Senate resolution 197, providing for inquiry into the administration of the Rural Electrification Administration.

There being no objection, the interim report was ordered to be printed in the RECORD, as follows:

INTERIM REPORT OF THE SUBCOMMITTEE OF THE SENATE AGRICULTURE AND FORESTRY COMMITTEE ON HEARINGS ON SENATE RESOLUTION 197, PROVIDING FOR THE INQUIRY INTO THE ADMINISTRATION OF THE RURAL ELECTRIFICATION ADMINISTRATION

JUNE 23, 1944.

Your subcommittee which was appointed to consider and report on the proposals made in Senate resolution 197 to inquire into the administration of the Rural Electrification Administration, has completed the preliminary phases of its inquiry and has elected to make this preliminary report.

The Rural Electrification Administration was originally created by an Executive order by the President, and later, by enactment of law, was made a Federal agency under an administrator appointed by the President for a term of 10 years and confirmed by the Senate.

The provisions of law made the employees subject to civil service, and political activity by the Administrator and employees was prohibited by law. The Administrator was given full authority and responsibility only to the Congress. It was hoped at the time that the record of freedom from political activity and efficiency of management and operation of this agency would compare favorably with the record of T. V. A., which was also made an independent administrative agency not subjected to interference in its program and management.

So long as this policy of independence prevailed, the record of the R. E. A. was outstanding and fulfilled the highest expectations of the President, the Congress, and the people of the United States. All employees were directly responsible to the Administrator. The Administrator was responsible to the Congress.

Under the Reorganization Act of 1939, the R. E. A. was transferred to the Agricultural Department of the Federal Government. The order of transfer stated that the R. E. A. should be under the general supervision and direction of the Secretary of Agriculture. As a result, the various divisions of personnel were divorced from the R. E. A. organization and spread through the various personnel sections of the Department of Agriculture. The Administrator was deprived of authority to select his personnel. The legal department was transferred and became a part of the legal department of the Department of Agriculture. Centralization of authority and responsibility placed by the Congress in the person of the Administrator became dissipated among the various agencies of the Agricultural Department.

There is evidence that subordinates in the Department of Agriculture cooperated with subordinates in the R. E. A. and persons not employed by the Agricultural Department or the R. E. A., to undermine the authority placed by the Congress in the office and person of the Administrator.

The evidence also indicates that one source of disorganization and trouble was

the almost constant effort of some of the employees and engineers of the R. E. A. to force upon the farm cooperatives a higher cost of conductors than was desired by some of the farm cooperatives. There was considerable evidence to indicate that the products of the Copperweld Steel Co. were favored over aluminum by some of the engineers having to do with the approval of contracts. The testimony in regard to this controversy was conflicting, but the committee is of the opinion that there was more than a legitimate and ethical connection between some of the engineers and other personnel employed by the R. E. A. in relation to the selection of conductors and other construction materials.

The testimony before the committee indicates that after the local co-ops had let contracts favoring aluminum as a lower cost conductor, pressure was brought to bear by employees of the R. E. A. to have the contracts canceled and new contracts made permitting the use of a higher cost conductor.

As these practices increased, more and more dissatisfaction, controversy, and intrigue became manifest as the testimony before the committee will show. This resulted in confusion, a lowering of morale of the personnel as authority and responsibility of the Administrator was usurped by various heads, and personnel of the Agricultural Department.

There can be no doubt that the Administrator of the Rural Electrification Administration, appointed by the President and confirmed in that appointment by the United States Senate, is no longer the Administrator of the R. E. A. in fact.

There can be no doubt that there is dissension among those in highest authority in the administration of R. E. A., that there is divided authority and therefore credence can be given to the reports which came to the committee of growing discord and distrust and disorganization within the R. E. A.

The Rural Electrification Administration was established by Congress as an agency responsible directly to the Congress. During the early years of the Administration, it was administered in accord with the spirit of the act and as an agency responsible to the Congress, or what is generally described as an independent agency. Throughout those years the Rural Electrification Administration gained the respect and the commendation of the Congress, as well as the people of the United States. It is fair to say that the Administration gained general approval and was singularly free from adverse criticism.

One of the most disrupting episodes causing further dissension and disorganization was the incorporation of certain private corporations for the operation of insurance companies and agencies to sell supplies and insurance to the R. E. A. cooperatives, their families, and others. The incorporators seem to have included some superintendents of local cooperatives.

Mr. Stoneman, now president of the National Rural Electric Cooperative Association, testified he was one of them. An intensive campaign was started by the officers of this organization and various employees of the R. E. A. to induce the more than 800 local cooperatives to become members of this organization. In fact, the testimony indicates that before these corporations were formed, this scheme was originated by the Deputy Administrator, Mr. Robert B. Craig, who, under oath, testified that he was willing to accept the responsibility of parentage of this scheme.

There is some testimony in the record to indicate that the importance of such an organization for political purposes was estimated and appraised. But there is no testimony showing that the R. E. A. organization itself ever engaged in political activities.

This N. R. E. C. A. organization at first seemed to have the approval of the Secretary

and Assistant Secretary of Agriculture, and the Administrator. However, after some time the true purpose of this organization became apparent.

It appears that the National Rural Electric Cooperative Association, in order to start in the insurance business, had to have certain funds of the local cooperatives required by State law in various States where they intended to operate and conduct an insurance business. They proposed to obtain these funds by giving their notes to the cooperatives and so use the surplus funds of the cooperatives to start the insurance business.

When these facts came to the knowledge of the Administrator, Mr. Slattery, he wrote a letter of warning to the cooperatives, telling them to "stop, look, and listen." He also wrote a letter to the Secretary of Agriculture, Mr. Wickard, to obtain a legal opinion as to the legality of the scheme permitting the local cooperatives to use their funds for such purpose, as of course their funds were under lien to the Government of the United States for loans.

That opinion of the Solicitor seems to have ended the scheme of this group, so far as selling insurance was concerned.

The action the Administrator, Mr. Slattery, took to obtain legal advice on this scheme to use the funds of the R. E. A. seems to have precipitated an attack upon the Administrator by officials of the National Rural Electric Cooperative Association, as well as by some officials of the Department of Agriculture. Up until that time, the testimony shows, many letters by various members and officials of the National Rural Electric Cooperative had been exceedingly laudatory in their expressions of admiration for the ability and integrity of the Administrator of the R. E. A., Mr. Slattery.

It is interesting to note that when the Secretary of Agriculture was informed by the legal opinion of his Solicitor that moneys of the R. E. A. could not be used for such purposes as intended by the organizers of the National Rural Electric Cooperative Association, he warned employees of the R. E. A. to cease and desist from helping to further the scheme and joined Mr. Slattery in warning employees to have nothing to do with the N. R. E. C. A. There is evidence that thereafter certain Agriculture Department officials joined with the organizers of the N. R. E. C. A. in attempts to have Mr. Slattery removed as Administrator of the R. E. A. Pressure was brought upon the President to have him removed. This seems to have failed.

Mr. Slattery, having been appointed by the President, through the authority of a special act of Congress for a period of 10 years, and confirmed by the Senate of the United States, the question of his removal without a hearing and without the filing of specific charges presented a legal problem that the President might hesitate to undertake, even had he so desired. Emissaries from the Department of Agriculture and of the N. R. E. C. A. brought pressure to bear upon the White House to get rid of the Administrator without resorting to removal for cause and upon hearing. There is direct evidence that he was offered another position subsequently to go to Europe to study rural electrification, at his present salary, if he would resign as Administrator of the R. E. A. This he refused to do.

We have a right to assume that the rumors and charges of incompetency and mismanagement on the part of Mr. Slattery as administrator that were suddenly discovered, after he opposed the insurance activities of the N. R. E. C. A. to use the mortgage funds of the cooperatives to start their insurance companies, were carried to the President and made the basis for the request for his discharge or removal. Such action has our unqualified disapproval.

The rural electrification program has been regarded by the general public and the Congress and should continue to be regarded as

a program to encourage the distribution of electric power to farmers, at reasonable cost and to make possible the building of rural electrification distribution lines.

The authority given to the R. E. A. by Congress, and the only authority, was that of granting loans or credit to various groups or organizations which might be interested in the development and building of rural electrification distribution lines and the building of such electrical production plants as necessary where reasonable rates for electric power could be obtained, and the additional authority, of course, to protect and conserve the loans made by the Government to local cooperatives.

The disintegration and demoralization of personnel in the R. E. A. since its integration into the Department of Agriculture, is an outstanding contrast to the harmony and excellency of morale that appears to have existed prior thereto, and is an indictment of the administration under the Agricultural Department.

The T. V. A. was created as an independent agency and seems to have preserved the record of administration that has won the universal praise of the American people. It has apparently not been subjected to campaigns for exploitation by outside private individuals so far as is known. It has not been accused of political activities. It seems to have been operated as a business institution undertaking a service to the people that could not be furnished by private capital. Such an institution, it was hoped, the R. E. A. would be and continue to be of service to the farmers of the United States.

The testimony of John M. Carmody, who was Administrator of R. E. A. immediately prior to the reorganization of R. E. A. is very impressive and supports in every way the idea of strict independence of the R. E. A. Mr. Carmody made an excellent administrator, but despite his zealous devotion to the work of R. E. A. and his high esteem for the program of rural electrification, he retired from his position as Administrator of the R. E. A. immediately after the Reorganization Act became effective. There can be no question as to why he retired. He made his reasons known in the testimony before the committee. He feared that the success of the R. E. A. would be impaired and the R. E. A. would be handicapped when it became subordinate to the Department of Agriculture. He anticipated the menace of "layers of authority" over R. E. A. His anticipations and fears were fully justified.

There can be no doubt of the desire and intention of Congress in enacting the legislation making the R. E. A. an independent institution and providing that the term of office of the Administrator should be for 10 years. The Congress desired to protect the administration of the R. E. A. program from all kinds of political influence, and desired to establish the R. E. A. as an agency of Government entirely free and independent of any and every influence other than that of the act itself, and the officials and employees appointed to administer the act.

As one witness before the committee emphasized, there is every reason and every obligation in a democratic form of government to divorce, in every possible way, the administration of any units of Government engaged in the administration of economic affairs or business, from the political affairs of the Government. Any other course of action is a step toward the totalitarian state.

Your subcommittee has elected, therefore, to make this preliminary report, with recommendations relating to the emergency situation within R. E. A. The rural electrification program has had such general and enthusiastic approval, and the evidence before your subcommittee raises questions about many matters of administration within R. E. A., and by grace of the influence of R. E. A. in the rural electrification coopera-

tives which deserve and even demand further study.

However, the subcommittee has labored faithfully with the limited funds and time permitted, and while we are expecting information which has been requested and will be requested from the departments concerned, the record of testimony presented before the committee now justifies a recommendation that the Rural Electrification Administration be, by law, returned to its status first assigned to it by the Congress, and this committee recommends that that be done at the earliest possible date.

E. D. SMITH.
HENRIK SHIPSTEAD.
G. M. GILLETTE.
GEORGE D. AIKEN.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH:

S. 2034. A bill to reestablish the Rural Electrification Administration as an independent agency of the Government; to the Committee on Agriculture and Forestry.

By Mr. HILL:

S. 2035. A bill to provide for the formulation of a national fertilizer policy and program; as a step in said program, to provide for adequate phosphate reserves for a phosphate plant heretofore authorized for construction at or near Mobile, Ala.; to specify certain policies for the public operation of said plant and to provide a basis for its operation by private enterprise; and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MEAD:

S. 2036. A bill amending sections 7 (a) and 12 (b) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

By Mr. RUSSELL:

S. 2037. A bill for the relief of Margery Anderson Bridges; to the Committee on Immigration.

By Mr. GEORGE (for Mr. GLASS):

S. 2038. A bill to amend the Trading with the Enemy Act, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 2039. A bill to permit the United States Government to use certain copyright material in furtherance of the national defense, to permit the Librarian of Congress to make and furnish copies thereof for such purpose and to make and furnish any person a copy of copyrighted material for the purpose of private research; and for other purposes; to the Committee on the Library.

By Mr. KILGORE:

S. 2040. A bill to amend the Mustering-out Payment Act of 1944 so as to provide mustering-out payments to certain persons discharged or relieved from active service in the armed forces to accept employment; to the Committee on Military Affairs.

(Mr. CAPPER (for himself and Mr. SHIPSTEAD) introduced Senate bill 2041, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. STEWART:

S. 2042. A bill for the relief of the legal guardian of Nancy Frassrand, a minor; to the Committee on Claims.

By Mr. JOHNSON of Colorado:

S. 2043. A bill for the relief of the widow of Joseph C. Akin; to the Committee on Claims.

S. 2044. A bill granting an increase in pension to Harvey L. Frame; to the Committee on Pensions.

S. 2045. A bill to provide for the disposal of surplus Government property and plants; to the Committee on Military Affairs.

(Mr. KILGORE (for himself and Mr. WAGNER) introduced Senate bill 2046, which was referred to the Committee on Education and Labor.)

By Mr. MCFARLAND:

S. 2047. A bill to amend section 4 of the act entitled "An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes," approved June 7, 1924, as amended; to the Committee on Irrigation and Reclamation.

By Mr. CHAVEZ (for himself and Mr. DOWNEY, Mr. WAGNER, Mr. MURRAY, Mr. CAPPER, and Mr. LANGER):

S. 2048. A bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. MALONEY:

S. J. Res. 141. Joint resolution memorializing the name of Horace Wells; to the Committee on the Library.

(Mr. BYRD introduced Senate Joint Resolution 142 which was referred to the Committee on Civil Service and appears under a separate heading.)

By Mr. GUFFEY:

S. J. Res. 143. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

MARKETING OF, AND FAIR PRICES FOR, AGRICULTURAL COMMODITIES

Mr. CAPPER. Mr. President, 3 years ago, together with the Senator from Minnesota [Mr. SHIPSTEAD] I introduced legislation embodying a new economic principle looking toward the permanent solution of our farm problem. Then war intervened. Price-depressing crop surpluses which had plagued the farmers for 20 years suddenly turned into scarcities. The central issue of the farm problem had temporarily evaporated.

But now the war may soon be over. At least that is our prayerful hope. Farmers are beginning to recall the way American agriculture was let down after World War No. 1. "Are we going to go through that again?" they are asked. "Are America's farmers to know an oasis of prosperity only in wartime, meanwhile having to subsist in a dreary desert of depression?"

The air is full of plans these days for a better post-war world. Certainly no one is more entitled to a better world after this war than the American farmer. Happily, the export of America's peacetime crop surpluses, which averaged 15 to 20 percent of production during the 1920's, will go a long way toward creating a better, more economically stable world abroad also after this war. In the joint interest of peace and prosperity, I am, therefore, reintroducing at this time—again in company with the Senator from Minnesota [Mr. SHIPSTEAD]—the agricultural surplus exchange bill, hoping that the machinery for its operation may be set up by Congress in time to prevent a post-war depression for the American farmer.

This bill is also being reintroduced by several Members of the House of Representatives. I understand that the gentleman from Minnesota, Representative HAGEN, has had 50,000 copies of this bill printed—one for every farmer in his district. As a Senator who with his colleague represents an entire State, I cannot undertake to get a copy of this bill to every farmer in Kansas. I shall, how-

ever, be happy to send a copy of it to every farmer who writes me for it. I know that farmers as a class have the capacity to look ahead and expect their representatives in Congress to do the same.

I am making a brief explanation of the economic principles involved in this bill.

The Agricultural Surplus Exchange bill is based on the principle of the McNary-Haugen bill of the 1920's plus an added provision for the importation of an equivalent amount of foreign-produced goods in exchange for farm surpluses exported.

Based on the belief that the old McNary-Haugen export bill was "warmer" to the real solution of the farm problem than anything which has been tried since, this new bill meets two draw-backs of the old McNary-Haugen bill by the addition of a new principle.

The first of these draw-backs was the necessity of setting up a complicated two-price system, whereby the share of every farmer's crop that was sold abroad brought him one price and the share that was consumed in America brought another price. The second draw-back was the fact that the foreign nations which wanted our surpluses could not buy them at any price unless we took manufactured goods from them in payment, since they had no gold. Could a way of taking in manufactured goods from abroad in sufficient quantity to balance up the value of crop surpluses have been found, the farm problem would have been solved long ago.

This new bill attempts to do that. By a workable trade principle it renders the relatively small amount of foreign goods needed to effect surplus export literally noncompetitive with American manufactured goods.

This principle can best be explained by an illustration: Exportable crop surpluses in a year may equal \$1,000,000,000 in value. One billion dollars of foreign manufactured goods will therefore have to be imported in return. Compared to the \$40,000,000,000 value of American factory output, the \$1,000,000,000 of foreign manufactured goods will be only 2½ percent. Since the American crop surpluses cannot be converted into dollar buying power in America—but rather depress rural cash buying power—there is no cash loss to American manufacturers in allowing the import of foreign manufactured goods up to the extent to which they can be paid for by crop surpluses. The 2½ percent really represents increased buying power for the American public over and above a 100 percent cash buying power which is left undisturbed.

But if the 2½ percent—\$1,000,000,000—were spent wholly for foreign textiles, for instance, it would be hard on the American textile market. It is necessary that this extra buying power be spent proportionately for all manufactured products. Hence, by a principle known as prorated import quotas, only 2½ percent of each kind of manufactured goods is allowed to be imported into America that year in exchange for farm surpluses. Thus, every American manufacturer's American market repre-

sented by the 100 percent is practically undisturbed and the 2½ percent of imports are extra in every case and represent pure gain for the farmer and no loss to the American manufacturer.

But the American manufacturer gains, too. When the crop surpluses are out of America, crop prices will go up to parity. American farmers will be able to buy \$4,000,000,000 more of American automobiles, American textiles, American paint, and so forth.

Although the tariff is lowered slightly on the incoming goods involved in this special stratum of trade, most of the present duties are collected. These duties are segregated into a special fund known as the Agricultural Export Compensation fund. The American crop exporters, who will have to sell the surplus abroad at low world prices, will be allowed to take enough additional out of this fund to be able to pay the American farmers the full American crop prices on the crops bought from them for export.

Thus, the American farmer gets the full parity price on both that part of his crop which is consumed at home and that part which is exported. It is, therefore, a one-price system—on the full parity price level—with no red tape involved as in a two-price system. Our surpluses are continuously eliminated by export with no cost to Uncle Sam and with benefit instead of loss to our manufacturers.

The plan is explained in detail in a book called *The Way Out for America*, written by two Minnesota economists, Charles Custer Pickert and Ralph Berland Baerman.

Mr. President, I ask unanimous consent at this time to introduce the bill and have it printed in the *RECORD* as a part of my remarks.

There being no objection, the bill (S. 2441) to provide adequate markets and fair prices for agricultural commodities produced in the United States; to eliminate the necessity for mandatory reductions in crop production; to provide a method for the exchange of surplus agricultural commodities for products of foreign countries on a basis mutually advantageous to agricultural and manufacturing interests in the United States, and to such foreign countries; to promote foreign trade in the interest of friendly and peaceful relations among nations, and for other purposes, introduced by Mr. CAPPER (for himself and Mr. SHIPSTEAD), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the *RECORD*, as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Surplus Exchange Act."

TITLE I—EXCHANGE OF AGRICULTURAL SURPLUSES

SURPLUS EXCHANGE BOARD

SEC. 101. (a) There is hereby established an agency of the Government to be known as the Surplus Exchange Board (hereinafter referred to as the "Board"). The Board shall be composed of 11 members, who shall be appointed by the President, by and with the advice and consent of the Senate, and one of whom the President shall designate as Chairman and one as Vice Chairman.

The members of the Board shall be so selected as to afford the broadest possible representation to the producers and handlers of the various types of agricultural commodities, and to industry, labor, and commerce, and to afford representation of each of the principal geographic regions of the country. Not more than six members of the Board shall be members of the same political party. Each member shall devote his full time to the business of the Board. Each of the members of the Board shall receive a salary at the rate of \$10,000 per annum. Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(b) Terms of office of the members first taking office after the date of the enactment of this act shall expire, as designated by the President at the time of nomination, two at the end of each of the first 4 years after the date of the enactment of this act, and three at the end of 5 years after such date. The term of office of a successor to any such member shall expire 5 years from the date of the expiration of the term for which his predecessor was appointed, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(c) The Board is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures, as may be necessary for carrying out its functions, in the same manner as is now provided by law for the United States Tariff Commission. The Board may delegate any of its functions to such of its officers and employees as it may designate.

(d) The Board may, with the consent of any Government agency, including any field service thereof, avail itself of the services of the officials, employees, and facilities thereof, and secure any information necessary for the carrying out of its functions. All such agencies shall make available to the Board (upon request, and wherever practicable in the form requested) any information, statistics, and data they may have available pertaining to matters relating to the functions of the Board: *Provided*, That any such information, statistics, or data may be made available in confidence if, in the judgment of the President, it is incompatible with the public interest to have them made public.

FUNCTIONS OF THE BOARD

SEC. 102. In order to carry out the purposes of this act, it shall be the duty of the Board, in accordance with the provisions of this Act and subject to its limitations, to facilitate and promote the exchange of surplus agricultural commodities produced in the United States for manufactured articles produced in foreign countries, and to regulate such exchange, with a view toward (1) providing adequate markets and fair prices for all agricultural commodities produced in the United States, (2) providing foreign countries with a means for paying for surplus agricultural commodities produced in the United States which are needed by such foreign countries, (3) providing increased income for the farm population of the United States, and expanded markets among such population for manufactured articles produced in the United States, (4) preventing imports of manufactured articles from disrupting the domestic markets of manufacturers in the United States, and (5) promoting foreign trade in a manner which will encourage friendly and peaceful relations among nations.

COMPENSATORY IMPORT QUOTAS

SEC. 103. (a) Prior to January 1 of each year, commencing with the year 1945, the Board shall establish a national compensatory import quota (hereinafter referred to as the "national quota") for such year. Such national quota shall be an amount (ex-

pressed in terms of money) which is estimated by the Board to be equal to the value (computed at world prices) of all agricultural commodities produced in the United States which will be available for sale or use in such year and will not be consumed in the United States in such year.

(b) The national quota for each year shall be allocated among foreign nations by assigning to each such nation an import quota based on the Board's best estimate of its needs for and its ability to utilize surplus agricultural commodities produced in the United States. The needs of each such nation for such commodities shall be determined solely on the basis of the extent to which agricultural commodities produced in territory subject to the jurisdiction of such nation fails to meet the needs of the population of such nation for agricultural commodities of kinds which are produced in the United States in substantial quantities.

(c) The Board may from time to time, during any year, make such increases or decreases in the national quota for such year as it deems necessary; and, in any such case, shall make a proportionate increase or decrease in the import quota assigned to each foreign nation.

(d) Whenever it appears to the Board that the import quota assigned to any foreign nation for any year will not be completely utilized, the Board shall reallocate any portion of such quota which it estimates will not be utilized by such nation among other foreign nations on the basis of the needs of such other nations and their ability to utilize increased quotas. In no event shall the import quota assigned to any nation for any year be decreased because of the failure to utilize all or any part of any import quota assigned to it for any prior year.

REGULATION OF COMPENSATORY IMPORTS

SEC. 104. (a) The Board is authorized to permit, during any year, the importation into the United States from any foreign country, under the special tariff concessions permitted in this section and in accordance with the provisions of this section, of manufactured articles having a value (computed on the basis of the import price) not in excess of the import quota assigned to such country for such year under section 103. The importation of any such article shall be permitted in accordance with the provisions of this section only upon condition that the amount paid for such article (computed on the basis of the import price) will, under regulations prescribed by the Board, be made available for paying for agricultural commodities exported from the United States and will be expended for no other purpose.

(b) The total quantity of manufactured articles of any one kind which may be imported into the United States from any foreign countries in accordance with the provisions of this section during any year shall be regulated by the Board with a view toward preventing dislocations in the domestic market for similar or competing domestic articles. For the purposes of this subsection, the Board shall establish for each year an import quota for each kind of article imported in accordance with the provisions of this section which is similar to or competitive with any domestic article. The import quota for each such kind of article shall be an amount bearing the same proportion to the estimated annual average value (on the basis of the American selling price) for the preceding 3 years of similar or competing articles produced in the United States that the national quota bears to the estimated annual average value (on the basis of the American selling price) for the preceding 3 years of all manufactured articles produced in the United States. The total value (computed on the basis of the import price) of articles of any one kind imported into the United States in accordance with the provisions of this section

(1) shall not exceed the import quota for articles of such kind during any year by more than 15 percent and (2) shall not exceed the import quotas for articles of such kind over any 3-year period by an average of more than 5 percent.

(c) The Board shall determine and fix the duty to be paid upon the importation of any article imported in accordance with the provisions of this section. The duty so fixed shall not be in excess of the amount, and shall not be less than 50 percent of the amount, of the duty and internal-revenue tax which would be payable in respect of the importation of such article if it were imported into the United States other than in accordance with the provisions of this section. The duties fixed by the Board under this section shall be fixed with a view to accomplishing the importation into the United States in accordance with the provisions of this section, during each year, manufactured articles having an import value equal to the national quota for such year, and shall be fixed at the highest rates deemed by the Board to be consistent with that purpose. The duties fixed by the Board under this section shall be in lieu of all other duties and taxes payable with respect to the importation of articles imported in accordance with the provisions of this section. Except as otherwise provided by this act, any duty fixed by the Board under this section shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930.

AGRICULTURAL EXPORT COMPENSATION FUND

Sec. 105. There is hereby established in the Treasury an agricultural export compensation fund (hereinafter referred to as the "fund"). All duties on articles imported into the United States in accordance with the provisions of section 104 of this act shall be covered into the fund. There are also authorized to be appropriated to the fund such additional amounts as may be necessary for making the payments provided for by section 106 of this act.

PAYMENTS WITH RESPECT TO AGRICULTURAL EXPORTS

Sec. 106. (a) The Board is authorized to make payments to exporters of agricultural commodities produced in the United States for the purpose of accomplishing the export of all such commodities which are not needed to meet consumption requirements within the United States. Any money in the fund shall be available and may be used by the Board for the purpose of making such payments.

(b) Such payments shall be made pursuant to regulations prescribed by the Board. The payments made with respect to the exportation of any commodity shall be made at a rate determined by the Board to represent the amount by which the parity price or the domestic market price of such commodity, whichever is lower, exceeds the world market price of such commodity, except that—

(1) In any case in which the domestic market price of any agricultural commodity has reached parity, the Board may, if it appears to the Board that adequate funds for such purpose will be available in the fund, and that discontinuance of such payments would result in the domestic market price falling below parity, continue to make payments with respect to the exportation of such commodity at a rate determined by the Board to represent the amount by which the parity price exceeds the world market price so long as the Board deems it advisable to make such payments at such rate; and

(2) In any case in which the Board determines that an excessive production of any agricultural commodity in the United States is abnormally depressing the world price for

such commodity, the Board may reduce the rate of payments made under this section with respect to such commodity for the purpose of encouraging diversion in the United States from the production of such commodity to the production of other agricultural commodities.

DEFINITIONS

SEC. 107. As used in this title—

(1) The term "agricultural commodity" means any crop produced on a farm, any animal or animal product, and any food product, except that such term does not include forest products or fur-bearing animals or any fiber product in other than an unmanufactured state.

(2) The term "manufactured article" does not include semimanufactures and does not include any agricultural commodity.

(3) The term "American selling price" means the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which a domestic article is freely offered for sale to all purchasers in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the like or similar imported article.

(4) The term "parity price" as applied to agricultural commodities means (A) the price that will give the agricultural commodity the same purchasing power, with respect to nonagricultural products, as such commodity had during the period August 1909 to July 1914, as ascertained from the latest available statistics of the Department of Agriculture by the Secretary of Agriculture, except that (B) in the case of any agricultural commodity with respect to which the Secretary of Agriculture has ascertained the parity price on a different basis under any agricultural adjustment or conservation program in effect since September 31, 1932, the parity price shall be the latest such price so ascertained.

(5) The term "import price" means the price paid for an imported article by the person by whom or for whom it is imported, plus, when not included in such price, the cost of all containers and coverings, transportation (not including transportation within the United States), and all other costs, charges, and expenses (except import duties and other import restrictions) incident to the delivery of such goods in the United States.

ANNUAL REPORT

SEC. 108. The Board shall make a report to the Congress at the beginning of each regular session containing a statement of its expenditures during the past fiscal year, a summary of its activities, and such recommendations as it deems appropriate.

REGULATIONS

SEC. 109. (a) The Board is authorized to prescribe such rules and regulations as may be necessary for the exercise of its powers and the performance of its duties.

(b) Any determinations required to be made for the purposes of this title may be made by the Board on the basis of the reports, estimates, and other data and information available to the Board at the time such determination is made, and may there-

after be revised by the Board to the extent it finds revision to be necessary.

EFFECT ON PRESENT AGRICULTURAL PROGRAMS

SEC. 110. (a) Nothing in this title shall be deemed to affect or modify any existing agricultural program or any activity for the benefit of agriculture, except to the extent that such programs or activities automatically are affected by reason of the removal of surpluses of agricultural commodities and increases in the prices of such commodities.

(b) Notwithstanding the foregoing provisions of this act, agricultural commodities owned by the United States, or any agency thereof, shall not be deemed to be available for sale or use, or be sold or otherwise disposed of, except at such times and in such quantities as the Board determines that they may be sold or otherwise disposed of without interfering with the accomplishment of the purposes of this title.

TECHNICAL RESEARCH AND STUDIES IN HOUSING

Mr. KILGORE. Mr. President, on behalf of myself and the Senator from New York [Mr. WAGNER] I ask unanimous consent to introduce a bill to provide for technical research and studies in housing. In introducing this bill, the Senator from New York and I jointly request that it be referred to the Committee on Education and Labor for consideration. However, in view of the fact that the bill relates to housing of an over-all nature, and since housing legislation in the past has been considered also by the Committee on Banking and Currency, we further request that, after the Committee on Education and Labor shall have completed its study, the bill be referred to the Committee on Banking and Currency for further consideration. In view of the extensive interest of the Post-war Policy Committee in the subject, we ask unanimous consent for a Senate order that a copy be sent to the Post-war Policy Committee for informal study by the housing subcommittee headed by the Senator from Ohio [Mr. TAFT] and the entire committee under the chairmanship of the Senator from Georgia [Mr. GEORGE].

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred. Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The bill (S. 2046) to provide for technical research and studies in housing, and for other purposes, introduced by Mr. KILGORE (for himself and Mr. WAGNER), was received, read twice by its title, and referred to the Committee on Education and Labor.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 4958. An act to amend the Transportation of Explosives Act; to the Committee on Interstate Commerce.

H. R. 3187. An act to amend section 5, Public Law 140, Seventy-seventh Congress; and H. J. Res. 228. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran; to the Committee on Military Affairs.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

PRESERVATION OF FREEDOM—ADDRESS BY SENATOR WHERRY

[Mr. WHITE asked and obtained leave to have printed in the RECORD a radio address entitled "Preservation of Freedom," delivered by Senator WHERRY on June 22, 1944, which appears in the Appendix.]

THE MONTGOMERY WARD INCIDENT—ADDRESS BY SENATOR MURDOCK

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD an address on the Montgomery Ward case, delivered by him June 10, 1944, which appears in the Appendix.]

THIRD ANNIVERSARY OF ENTRY OF SOVIET UNION INTO THE WAR—ADDRESS BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at a meeting sponsored by the Russian relief organization in observance of the third anniversary of the entry of the Soviet Union into the war, at Madison Square Garden on June 22, 1944, which appears in the Appendix.]

WOLVES IN SHEEP'S CLOTHING—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD an address entitled "Wolves in Sheep's Clothing," delivered by him before the Union League Club, Chicago, Ill., on June 20, 1944, which appears in the Appendix.]

THE CONSTITUTION FOREVER—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD an address entitled "The Constitution Forever," delivered by him before the American National Democratic Committee at Chicago, Ill., on June 19, 1944, which appears in the Appendix.]

REVIEW BY SENATOR GUFFEY OF THE BOOK ARITHMETIC OR REVOLUTION

[Mr. MEAD asked and obtained leave to have printed in the RECORD a review by Senator GUFFEY of the book *Arithmetic or Revolution*, written by Arthur Dunn, which appears in the Appendix.]

FREIGHT RATE DISCRIMINATIONS—ADDRESS BY C. E. CHILDE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address entitled "Freight Rate Discriminations: The Nation's Post-war Transportation Problem No. 1," delivered by C. E. Childe before the Atlanta Rotary Club, Atlanta, Ga., January 10, 1944, which appears in the Appendix.]

MESSAGE FROM GENERAL EISENHOWER ON EVE OF INVASION

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a message from General Eisenhower to the members of the Allied Expeditionary Force on the eve of the invasion, which appears in the Appendix.]

THE B-29 FORTRESS ATTACK ON YAWATA, JAPAN—ARTICLE FROM SALT LAKE TRIBUNE

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD an article entitled "Eyewitness Writer Tells of the

Yawata Bomb Attack," published in the Salt Lake Tribune of June 17, 1944, which appears in the Appendix.]

ADMISSION OF EUROPEAN REFUGEES INTO THE UNITED STATES—ARTICLE BY WESTBROOK PEGLER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Westbrook Pegler relating to the proposal to shelter 1,000 European refugees in the United States, which appears in the Appendix.]

RUSSIA AND POLAND

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a newspaper article entitled "Russia Warned Not To Impose Will on Poland," which appears in the Appendix.]

THE THEATERS AND WAR ACTIVITIES

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD a statement on Theaters at War, by the Theaters Division, War Activities Committee, War Manpower Commission, which appears in the Appendix.]

THE PRESS IN A YEAR OF CRISIS—ARTICLE BY IRVING BRANT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "The Press in the Year of Crisis," written by Irving Brant, and published in the Colorado Editor, which appears in the Appendix.]

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF BOWDOIN COLLEGE

Mr. WHITE. Mr. President, a decent regard for the truth compels me to say that although the statement which follows is made by me, the principal author is my colleague the junior Senator from Ohio [Mr. BURTON].

Mr. President, 150 years ago tomorrow, Gov. Samuel Adams, of Massachusetts, signed the act establishing Bowdoin College in the town of Brunswick and the district of Maine, which was then a part of Massachusetts.

The college was named in honor of Gov. James Bowdoin, of Massachusetts, and has added fame to his name worthy of that which his name originally brought to it.

America owes much to her colleges and it is fitting from time to time to recognize the service which they, and especially their administrative and teaching staffs, render to us. It is in this spirit that I now call the attention of the Senate to the observance tomorrow, in Brunswick, Maine, of the sesquicentennial anniversary of the life of this college, which for five generations has upheld and developed the best New England traditions of college training. I do this on behalf of three of its graduates who are members of this Senate: Senator OWEN BREWSTER, of Maine, of the class of 1909, his college roommate, Senator HAROLD H. BURTON, of Ohio, of the class of 1909, and myself, of the class of 1899.

In common with all other colleges, Bowdoin has her special claims to attention which have been earned for her by her distinguished alumni.

Unique among these claims for Bowdoin are those of the classes of 1823, 1824, and 1825. In the class of 1823 was the distinguished United States Senator from Maine, William Pitt Fessenden. Like his two Bowdoin brothers, Samuel and Thomas Fessenden, he served in Con-

gress. Later he became a Member of the United States Senate and was appointed Secretary of the Treasury by President Lincoln. Another classmate, John Otis served in Congress, and still another, William G. Crosby as Governor of Maine. In the class of 1824 was Franklin Pierce, who served in the United States House of Representatives and Senate from New Hampshire, and later as President of the United States. In the class of 1825 were Congressmen Samuel P. Benson, Jonathan Cilley, and Cullen Sawtelle; and United States Senator James Ware Bradbury. But particularly outstanding in this famous class in the field of American literature were Nathaniel Hawthorne and Henry Wadsworth Longfellow.

From the day when Franklin Pierce entered the Senate in 1837 to the present, there has been an almost unbroken representation of the college in this body through the services of Senators George Evans, John Fairfield, James W. Bradbury, William Pitt Fessenden, William P. Frye, Charles F. Johnson, Wallace H. White, Jr., and Owen Brewster from Maine, John Parker Hale from New Hampshire, William D. Washburn from Minnesota and Harold H. Burton from Ohio.

Outstanding as a coincidence in public service was the period from 1896 to 1899 when graduates of Bowdoin College presided over the three branches of the Government on Capitol Hill. During that time, the President pro tempore of the Senate was William P. Frye of the Bowdoin class of 1850, the Speaker of the House of Representatives was Thomas B. Reed of the Bowdoin class of 1860 and the Chief Justice of the Supreme Court of the United States was Melville W. Fuller of the Bowdoin class of 1853.

In still another field of unique attainment, Admiral Robert E. Peary of the Bowdoin class of 1877 planted at the North Pole in 1909 not only the flag of the United States of America but also the banner of Bowdoin College.

Beautiful as is its campus with a foreground of historic landmarks, artistic gateways and architecturally attractive buildings and a background of its traditional whispering pines, Bowdoin graduates acknowledge their greatest debt to the college presidents and teachers who have maintained for it the highest standards of scholarship and the broadest possible perspective in their outlook upon human affairs.

This debt is acknowledged especially to President K. C. M. Sills, who has served the college in that capacity since 1918, and to his immediate predecessor, William DeWitt Hyde who served as its president for 32 years before him. This breadth of point of view and high standard of scholarship has helped in great measure to qualify the graduates of Bowdoin for the leadership so many of them have attained in fields of literature, science, religion, education, finance, medicine, law, agriculture, business, governmental and military service as well as in other lines of activity and in the everyday citizenship of America.

The offer of Bowdoin College has been put into words by President William DeWitt Hyde, and has been quoted widely

as one of the best expressions of the offer of any college at its best. It is as follows:

To be at home in all lands and all ages; to count Nature a familiar acquaintance, and art an intimate friend; to gain a standard for the appreciation of other men's work and the criticism of your own; to carry the keys of the world's library in your pocket, and feel its resources behind you in whatever task you undertake; to make hosts of friends among the men of your own age who are to be leaders in all walks of life; to lose yourself in generous enthusiasms and cooperate with others for common ends; to learn manners from students who are gentlemen, and form character under professors who are Christians—this is the offer of the college for the best 4 years of your life.

THE GREAT LAKES-ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. FERGUSON. Mr. President, the St. Lawrence seaway is being considered by Congress as a post-war project. I know that certain questions are being asked concerning it, and I request unanimous consent to insert in the RECORD as part of my remarks certain questions and answers which I think are very important in relation to this project, together with two letters relating to the questions.

There being no objection, the letters and questions and replies were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
June 15, 1944.

Dr. N. R. DANIELIAN,
Director, Programs and Reports Staff,
Foreign Economic Administration,
Washington, D. C.

DEAR MR. DANIELIAN: I note that on June 24, 1941, Hon. LOUIS C. RABAUT, of Michigan, had some extension of remarks in the CONGRESSIONAL RECORD consisting of certain questions and answers on the St. Lawrence seaway and power project. Secretary Jesse Jones' letter accompanying the remarks states that you prepared the answers to the questions submitted by the Congressman in your capacity as Director of the St. Lawrence Survey, Department of Commerce.

In the course of informal discussions of this subject among my colleagues, several new questions have been raised. In the light of your exhaustive studies, would you be kind enough to review these questions and give me your comments, with particular reference to changing economic conditions in the period of transition from war to peacetime production?

Sincerely yours,

GEORGE D. AIKEN.

FOREIGN ECONOMIC ADMINISTRATION,
Washington, D. C., June 22, 1944.
Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: In response to your request I have reviewed with care the questions and answers appearing in the extension of remarks of Hon. LOUIS C. RABAUT in the CONGRESSIONAL RECORD of June 24, 1941, as well as the additional questions you have submitted. I take pleasure in transmitting herewith the results of this review.

You will note that there are principally two changes in the conditions surrounding the construction and utilization of the St. Lawrence seaway and power project in the near future, as compared with 1941. Then, the project was advanced as an aid to the national defense effort and the shortage of shipping facilities was an important consideration in the arguments for the construction of the project. The reports of the De-

partment of Commerce considered both the national defense and the peacetime uses of this project. A review of those reports will show that the basic conclusions are still valid during peacetime economic development as well as under conditions of national emergency.

It is hoped that after the victorious termination of the present war we are going to enjoy a protracted period of peaceful economic development. The emphasis in the accompanying discussion, therefore, is placed on the contributions that this project can make to the economic well being of the United States during the transitional period and the long-range needs of commerce and industry.

Very sincerely yours,

N. R. DANIELIAN.

QUESTIONS CONCERNING THE ST. LAWRENCE SEAWAY AND POWER PROJECT

Question 1. What is the Great Lakes-St. Lawrence seaway and power project?

Answer. This project is a joint effort by the United States and Canada to develop the boundless natural resources of the Great Lakes Basin, to provide the Middle West with a deep-water outlet to the Atlantic Ocean, and to harness the torrential flow of the St. Lawrence River for the generation of water power.

To build the seaway it is necessary to improve the St. Lawrence River between Ogdensburg, N. Y., and Montreal, Quebec. Engineering plans call for reconstruction of the canals and locks already built by Canada in the St. Lawrence River and for construction of a main navigation and power dam across the river at Barnhart Island, between Massena, N. Y., and Cornwall, Ontario. The Welland Canal across the Niagara escarpment completed by Canada in 1932 and the new lock at Sault Ste. Marie built in 1942-43 by the United States Army engineers already extend the deep-channel waterway from Duluth, Minn., to Ogdensburg, N. Y. With these additional improvements and some dredging at various points on the route, a deep waterway extending 2,400 miles from Duluth, Minn., to the Atlantic Ocean would be provided.

The electricity developed at the International Rapids section of the St. Lawrence River from this one dam will be as much as the total water-power development in the Tennessee Valley since 1933 and three times as large as the power developed at the Dnieper Dam—the pride of Russia. It is provided by the agreement of March 18, 1941, that the power resources of the International Rapids will be shared equally by the United States and Canada. Machinery is established under the proposed agreement to redevelop existing hydroelectric power facilities on the Niagara River in order to expand power production in that area.

The entire cost of the project to the United States was estimated in 1941 at about \$285,000,000. Of the total cost, some \$93,000,000 would be paid by New York State, which would be given control of the generation and distribution of electric power. The Federal Government's share will therefore be, roughly, \$195,000,000. The Canadian Government in turn would develop the waterway in Canadian territory, at the Soulanges and Lachine Rapids.

Question 2. What will be the effect of the St. Lawrence seaway and power project upon post-war economic conditions?

Answer. This question must be answered in two stages: The transitional period when the United States must provide employment to large numbers of demobilized servicemen, as well as disemployed defense workers; and the long-run prospects when the country will have returned to peacetime production.

The St. Lawrence project will take 4 to 6 years to construct. During this period it will

give employment to large numbers of skilled and unskilled workers. Estimates of the number of people required during these years have ranged from 20,000 to 100,000, the larger figure being the one most often used by the opponents of the project. Whichever figure is used, there is no doubt that the construction of this project will give much-needed employment to returning servicemen and defense workers during the period of transition from war- to peace-time employment.

The same will be true of manufacturing capacity and materials that will go into the construction of this project. Already there are signs of oversupply of basic metals and structural steel. Electrical manufacturing facilities will be available in abundance. The construction of the St. Lawrence project will make it possible to utilize materials and manufacturing facilities as well as men during the period of transition.

In the second phase, when the seaway and the power project are completed, and the economy of the United States has made the transition to peacetime production, the value of this project must be judged by its contributions to transportation needs of the mid-continent of America and the power requirements of northeastern United States.

It is a truism that the economic welfare of the United States depends upon the conditions of economic activities in the Middle West. The principal components of economic life, agricultural production, food processing, the steel industry, automotive equipment and transportation, and machinery production are mainly centered in the tributary area of the Great Lakes-St. Lawrence project. High incomes to farmers and workers and a steady rate of employment in the post-war period are essential to the well-being of the country as a whole. One of the essential factors to bring this about in the post-war period will be a vigorous foreign trade. As a result of delayed construction and willful destruction by the enemy in the course of the war, there will be foreign demands of immeasurable dimensions for large quantities of the products of the Middle West. We must be ready to supply these materials at reasonable costs upon a commercial basis. The Middle West has been handicapped in this international market because of the high freight rates to seaport. The St. Lawrence project, by opening the Great Lakes to oceangoing vessels, would bring the productive centers of the Middle West to the seashore.

A collateral advantage of this will be the utilization of a larger proportion of the merchant fleet constructed during the war at great cost to the taxpayers in the peaceful pursuit of commerce direct from the Middle West to foreign ports.

The effect of the St. Lawrence power project must be viewed in its proper time perspective. It is estimated that under conditions of rush construction it would take 36 months from the time the first spade is turned until the first generating unit is installed. Under ordinary conditions it may take longer, and, of course, it is not feasible that all of the 36 generating units will be built and installed at the same time. On the contrary, installations would be staggered over a period of years to meet the increasing demand for electricity. In other words, if the project were started, say, in June 1945, the first generating unit could be put in service in the second half of 1948. From then on it may take 6 to 10 years to install all of the 36 units. Hence, the effect of the St. Lawrence power project upon post-war economic conditions must be viewed in the light of our requirements during the period 1948 to 1958. This may appear like planning for the dim future, but it must be recognized that all large-scale projects require advance planning and long-range projection. The Boulder Dam, for instance, initiated by President Hoover in 1928, was not completed until 1942. The Grand Coulee Dam was started in 1933, but the first

generator did not come into service until 1941, and the last of the generators will not go into place probably until after 1950.

There is an advantage in this time lag in the case of the St. Lawrence project. The 3 to 4 years of construction will permit ample time to the electric industry to absorb the effects of the transition from war to peacetime production. If there is a temporary dip in the demand for electricity during this transitional period, it will certainly have passed as a result of the expansion of peacetime production.

Furthermore, St. Lawrence power will be distributed in the whole of New York State and New England. This area has been starved of cheap electric power. The effect of this during the war was to divert industry to other areas since there were no excess power resources to permit the establishment of new manufacturing plants. Whereas new power installations and manufacturing facilities were growing by leaps and bounds in other sections of the United States, industrial development in the Northeast, particularly New York State, has been slow in spite of wartime requirements, largely as a result of electric power limitations. Hence, conversion from wartime to peacetime industry will not give rise to any excess of electric capacity in the Northeast. On the contrary, when the limitations upon the production of peacetime goods is lifted, this region may find itself even more seriously pinched than during the war. Allowing 2 or 3 years for full conversion of industry to peacetime production it would appear that the St. Lawrence power will come in about the time when it will be most wanted, to permit continuing expansion of industry. This time lag will also permit other areas such as the Tennessee Valley and the Columbia River Basin to absorb their wartime generating capacity in peacetime production.

It would hardly seem necessary to argue that cheap hydroelectric energy will be needed and can be used profitably in the expansion of manufacturing during the years following 1948. The use of electricity continued to expand after World War No. 1 and even during the great depression. After this war the United States will enter a period of expanded utilization of light metals, synthetic materials, and plastics. With the development of highly ingenious electrical controls, industry more than ever before will require electric energy for automatic operations. Cheap electric power such as that to be provided by the St. Lawrence project will be at the center of industrial progress.

Question 3. Could the ships constructed during this war at taxpayers' expense utilize the St. Lawrence seaway for commercial traffic?

Answer. Yes; the Maritime Commission has been constructing several types of boats—tankers, the fast C-type cargo carriers, Liberty ships, and Victory ships. All of these would fit the limiting dimensions of the St. Lawrence seaway and locks. The locks of the St. Lawrence seaway will have the following dimensions: 859 feet long, 80 feet wide, and 30 feet deep over the sills. The initial controlling depth of the channels will be 27 feet. It is generally conceded ships drawing 25 feet could safely navigate the channels. It is true that all of the Maritime Commission's emergency ships draw, fully loaded, more than 25 feet. They can all use the St. Lawrence seaway by merely adjusting the schedule of their bunker fuel and stores as between Great Lakes ports and Montreal. Such adjustments are always made by shipping lines and captains whenever they have to fit special conditions in harbors and channels. When the St. Lawrence seaway is completed it will be no more of a problem for shipping lines to go into the Great Lakes than to go into the shallow channels of the Yangtze River at Shanghai or the River Plate at Buenos Aires.

The St. Lawrence seaway will make it possible to utilize a larger proportion of our emergency merchant fleet in peacetime commerce, thereby making the merchant marine available for future emergencies. On this point one need only to quote the official report of the United States Maritime Commission endorsing the St. Lawrence seaway before the House Rivers and Harbors Committee in 1941:

"No one can foresee with accuracy the conditions that will exist when the present hostilities cease. World conditions, however, have placed beyond question the importance to the United States of maintaining access to the seas. Such access can only be assured through the maintenance of a powerful Navy, served by an adequate merchant marine.

"When the present hostilities cease it will again be necessary to provide for the assimilation of an expanded merchant marine into the normal commerce of the country. Since the ships needed for naval and military auxiliaries in time of war or national emergency can only be maintained in normal times by absorption into the Nation's foreign and domestic commerce, it is evident that any opportunity to provide for the expansion of the use of merchant vessels in normal trades is worthy of serious consideration.

"There can be little doubt but that the projected seaway would benefit oceangoing transportation in merchant vessels in both the foreign and domestic trades, since the seaway would open to such vessels thousands of miles of additional coast line and would permit them direct access to one of the most highly industrialized and agriculturally prolific regions in the United States."

Question 4. How much power will the St. Lawrence power project produce?

Answer. The St. Lawrence development will be the second largest single-dam power source in the world—both in terms of installed capacity and in terms of average annual production of electric energy, being exceeded in size only by Grand Coulee.

The comparative size of the St. Lawrence power project is indicated by the following table:

	Grand Coulee	St. Lawrence	Boulder
Ultimate installed capacity (kilowatts).....	1,644,000	1,650,000	687,500
Annual average production (1,000 kilowatt-hours).....	14,225,000	11,563,200	14,380,000

¹ Assuming full development at 80-percent load factor.

The St. Lawrence would have a generating capacity of 2,200,000 horsepower, half of which would be made available to the United States and half of Canada. At some future date existing hydroelectric power facilities at Niagara Falls would be redeveloped to provide an additional 787,500 horsepower of capacity.

Question 5. Where will the power generated on the St. Lawrence River be distributed?

Answer. The power actually generated on the St. Lawrence would be distributed throughout an area within a 300-mile radius of Massena, N. Y., thus making it possible to supply New York City, the Buffalo industrial area, and a part of New England.

However, by shifting loads over existing and contemplated transmission lines, St. Lawrence power could be made available, in an emergency, throughout an area bounded by Chicago on the west, Washington, D. C., on the south, and Boston on the east.

The bills before Congress provide that the New York State Power Authority controlling the generation and distribution of power must make electricity available, on conditions as favorable as those offered to New York State citizens, to adjacent States such

as Vermont, Massachusetts, and Connecticut. It will be up to these States to create the necessary machinery to obtain the advantages of cheap power from the St. Lawrence River.

Question 6. How will the development of St. Lawrence power affect the electric-light bills of homes, farms, and factories?

Answer. The project would substantially reduce the rates of electricity to all classes of users in the area to be served. The St. Lawrence Survey estimates that the average cost of power to farm and residential consumers would be reduced 64 percent below 1937 rates and the cost to commercial and industrial consumers 25 percent. According to the figures of the New York State Power Authority, St. Lawrence power would mean savings amounting to \$25,000,000 a year to all types of consumers.

Question 7. Is steam power cheaper than St. Lawrence water power? Opponents of the seaway power project contend that it would be more economical to produce the electric energy we need by building steam-power plants than by harnessing the flow of the St. Lawrence River. Is this true?

Answer. In spite of the very great reduction in operating costs of coal-burning power plants in recent years, water power developed by publicly owned, multiple-use hydroelectric projects—such as the Tennessee Valley Authority, Bonneville, and Boulder Dam—is still the cheapest power in the United States.

According to the New York State Power Authority, the cost of power generated at the proposed dam on the St. Lawrence River will be little more than 1 mill per kilowatt-hour, including all fixed charges and operating costs. The delivered cost, including all transmission expenses, will be approximately 2.55 mills. Equivalent power from steam-electric plants in New York State would cost 5.11 mills, not including any transmission expenses. Thus St. Lawrence water power would cost only a little more than half as much as steam-generated power.

Question 8. Is the St. Lawrence, project another T. V. A.?

Answer. Yes; insofar as the advantages of T. V. A. as a source of cheap power are referred to. No; insofar as the criticisms generally applied against T. V. A. are not applicable to the St. Lawrence project.

It has been mentioned already that the St. Lawrence project will supply, when completed, as much power as all of the hydroelectric developments in the Tennessee Valley area. The St. Lawrence project will supply power cheaper than any other source in the United States with the possible exception of Niagara. On the average, St. Lawrence power will cost at the station one-tenth of 1 cent per kilowatt-hour. It follows, therefore, that all of the advantages that the Tennessee Valley area has gained from the development of cheap hydroelectric power will be available in the Northeast when the St. Lawrence project is completed.

The St. Lawrence project differs from the T. V. A. in the following very important respects:

1. The navigation aspects of the St. Lawrence are very different from those obtaining in the Tennessee Valley. There is already a 14-foot deep-water navigation channel between Lake Ontario and Montreal as compared with the 9-foot channel which is being created in the Tennessee River Basin. The new waterway contemplated by the St. Lawrence project is a deep-sea waterway which will admit oceangoing vessels from the Atlantic to the Great Lakes. This project will make the Great Lakes open highways to ocean commerce as contrasted with the navigation aspects of the T. V. A. which are characteristically inland-waterway projects.

2. The St. Lawrence project does not have the regional planning aspects of the T. V. A. To be sure, rural electrification will be enhanced and industry will be stimulated

through the availability of cheap power, and these advantages will be obtained through the exercise of initiative by individual citizens of the Northeast and will not be supplied by a central Federal agency.

3. The St. Lawrence project does not include flood control and prevention of soil erosion among its purposes, as these difficulties do not exist in the St. Lawrence Basin. The river has an unusually even flow throughout the seasons and from year to year, making it ideal for navigation and power generation.

4. The dual purpose of the St. Lawrence project for navigation and power only eliminates the controversial question of allocation of costs. As provided by the bills, all the power installations and the powerhouse, as well as 50 percent of the cost of the main dam, are allocated to the cost of power generation. The rest—that is, 50 percent of the main dam plus the cost of the locks and dredging—are allocated to navigation.

Question 9. What does the bill provide for Niagara power?

Answer. The agreement between the United States and Canada provides that the Great Lakes-St. Lawrence Basin Commission, to be established pursuant to its provisions, will make plans and recommendations for the most equitable use of the waters of the Niagara River, with particular reference to preservation of the scenic beauty of the falls and rapids, the requirements of navigation and power. The Governments may, by exchange of notes and concurrent legislation, determine the methods by which these purposes may be obtained. Under this provision it will be possible to improve the use of the waters of the Niagara River by utilizing the full drop of 323 feet between Lake Erie and Lake Ontario, in place of the present system where private companies utilize only half the amount of potential power. The same amount of water would give almost twice as much electric power if the power stations are placed at the level of Lake Erie instead of at the foot of Niagara Falls. The Canadians have obtained the full utilization of part of the waters they divert by this means. The same thing can be achieved on the American side, providing 585,000 kilowatts of additional capacity for the Niagara-Buffalo area.

Question 10. Are opponents of the seaway correct in asserting that navigation conditions on the St. Lawrence River would be so hazardous that shipping lines would not take the risk of sending their vessels over this route?

Answer. No. Construction of the seaway would vastly improve present navigation conditions in the 183-mile section of the St. Lawrence River between the lower end of Lake Ontario and Montreal. Existing channels and canals would be enlarged and deepened, and the 22 small locks now in operation would be replaced by 8 larger ones. These and other improvements would greatly reduce hazards to shipping.

But even now, with the projected improvements still in the blueprint stage, navigation conditions on the St. Lawrence are good. The heavy volume of traffic which already passes through the shallow canals in the international section is the best proof of that. More than 8,000,000 tons of freight moved through these canals in 1938. Some 5,900 vessel trips were needed to carry this freight. About 115,000 tons of freight moved directly between Great Lakes and European ports in shallow-draft ocean freighters.

As to the assertion that ocean shipping lines would be unwilling to risk sending their vessels through the proposed seaway, the testimony of the late Robert Dollar, founder of the Dollar Steamship Lines, should be revealing. In a letter read to a subcommittee of the Senate Foreign Relations Committee during the 1933 hearings on the St. Lawrence Treaty, Mr. Dollar said:

"Ships will certainly go to the Lakes for cargo; in fact, ships will go anywhere and everywhere to get cargoes. We have big ocean-going steamers running 1,000 miles to the Yangtze River, where the current is very swift and navigation quite difficult, far more difficult than it would be going to Lake Superior from Montreal.

"When the canal is finished there is no more reason for doubting that ships will go from the ocean to the Great Lakes than there is that ships will go to any port on the Atlantic seaboard."

Question 11. How will construction of the seaway affect the cost of shipping American wheat abroad?

Answer. Wheat is a bulk commodity carrying traditionally low shipping charges by water. With construction of the seaway, the savings in shipping charges from Duluth to Liverpool, as compared with the best possible alternative route, would amount to 5.2 cents a bushel, or \$1.74 a ton.

Question 12. Would savings in the cost of shipping wheat abroad mean savings to American wheat farmers?

Answer. Yes. It has been asserted that reductions in the cost of exporting wheat over the seaway merely reduce the price of wheat in the world market, and that potential savings to American farmers would thus be canceled out. This assertion is false. The price of wheat reflects all the influences at work in all the wheat-producing areas of the world. Basically, the price is determined by supply and demand, not by cost of production. Lowering the production costs of wheat farmers in the Great Lakes tributary area by lowering their transportation costs would by no means lower the world wheat price by an equivalent amount. The reduction in transportation costs would amount to a bonus for American farmers.

Question 13. Will construction of the seaway result in the dumping of foreign wheat in our domestic markets, as is claimed by opponents of the St. Lawrence project?

Answer. No. Great Lakes ports have now, and after the construction of the seaway would continue to have, the same protection against dumping of cheap foreign products that Atlantic, Gulf, and Pacific ports enjoy. The present import tariff rate on wheat is 42 cents a bushel. This tariff would be imposed at the ports of Buffalo, Chicago, or Duluth, on the Lakes, just as it is imposed now at the ports of New York, New Orleans, or Los Angeles. And the same factors which prevent the dumping of foreign wheat into our markets would prevent the dumping of other foreign goods and commodities.

Question 14. What effect will the seaway have on ocean ports like New York, Boston, Philadelphia, and Baltimore?

Answer. 1. As the eastern export center of the United States, New York stands to lose a small proportion of the foreign trade which now passes through its harbor. Some of the goods and commodities which now move through New York would undoubtedly be shipped by direct water route between Great Lakes ports and foreign countries. But the St. Lawrence survey of the Department of Commerce estimated that total diversion of foreign traffic from the port of New York would amount at most to 1,800,000 tons a year. This would represent only 1.6 percent of the 109,000,000 tons of water-borne commerce which moves through New York Harbor in an average year.

Coastal and intercoastal shipping traffic in New York Harbor would actually be increased by completion of the proposed seaway. The St. Lawrence survey estimated that about 1,000,000 tons of existing traffic of this type—3 percent of average annual coastal and intercoastal traffic in New York—would be diverted to Great Lakes ports but that this loss would be more than made up by new water-borne traffic between New York and the Mid-

dle West. With completion of the seaway, grain, cereal products, meats, dairy products, and automobiles would be shipped from the Middle West into New York Harbor, while iron and steel products, refined copper and zinc, brass, sugar, and other commodities would move from New York Harbor through the seaway into the Great Lakes region.

2. Boston, Philadelphia, Baltimore, and other ocean ports can expect substantial gains in shipping traffic if the St. Lawrence project is constructed. Boston Harbor, in fact, would be one of the chief beneficiaries of the seaway. With little danger of existing traffic being diverted, Boston stands to gain a large volume of new commerce. New England imports large amounts of raw materials and foodstuffs from the Middle West, and with completion of the seaway project these would be shipped by water from the Great Lakes into Boston Harbor. At the same time, New England shoes, machinery, fish, and other products would move from Boston Harbor to Buffalo, Cleveland, Chicago, and other ports on the Lakes. A similar increase in water-borne commerce with the Middle West could be anticipated by other port cities along our seaboard.

Question 15. How will the seaway affect the economic life of Buffalo?

Answer. The St. Lawrence survey has made an exhaustive study of the effect of the project on Buffalo's economic life. Its conclusions may be summarized as follows:

1. Buffalo will lose some of its grain transshipment traffic, but this loss will not amount to more than 700,000 tons a season—about one-fifth of the city's average annual lakewise grain receipts. Loss of grain traffic would involve the loss of the jobs of 200 workers in grain elevators and other waterfront occupations, or about one-twentieth of 1 percent of the total number of employed persons in the Buffalo area. At the same time, the loss in revenue to grain elevators is estimated at not more than \$220,000 a year.

2. The possibility that Buffalo might lose its preeminent position in flour milling is remote. Flour mills will not lose their business when Buffalo becomes a deep-water port. Buffalo is an important milling center largely because it is accessible to the sources of grain supplies and because it is close to the markets for flour along the eastern seaboard. Its advantages in these respects will be enhanced by construction of the seaway. Moreover, flour exports from Buffalo, estimated at an average of 180,000 tons during the open season, would save as much as \$525,000 a year in freight charges.

3. The iron and steel, machinery, and other major manufacturing industries of Buffalo would find increased foreign and intercoastal markets for their products. Iron and steel manufactures constitute by far the largest item in shipments from the Atlantic to the Pacific coasts. Yet Buffalo accounts for only a very small proportion of this commerce. In 1937, the intercoastal trade westward in iron and steel manufactures amounted to 1,370,000 tons, of which over 1,000,000 tons originated in Middle Atlantic ports. Buffalo, however, sent only 25,000 tons to the Pacific coast. It cannot compete in west-coast markets because it suffers from a transportation disadvantage relative to steel mills located along the Atlantic coast. The situation in regard to overseas exports of iron and steel products is similar.

In the light of these facts it is obvious that construction of a deep-water outlet to the Atlantic will have an important bearing on Buffalo's steel industry, as well as on such other industries as machinery, chemicals, abrasives, aluminum, and metal alloys. Existing transportation disadvantages in reaching overseas and west-coast markets will be eliminated, and an expansion of sales in these

markets can be expected. Since these industries are among the largest employers in the Buffalo area, even a small increase in sales would involve a large number of jobs. Moreover, increased shipments of iron and steel products, machinery, and other articles would stimulate increased receipts of ore, coal, limestone, and other raw materials, thus further increasing harbor traffic.

Question 16. What will be the effect of the seaway on Great Lakes carriers? Lake shipping companies fear that if the seaway is constructed they will lose their business to foreign vessels, built and manned by cheap labor, with the result that the wages of Lake seamen, now the highest in the world, would have to be reduced. What are the facts?

Answer. Foreign vessels would not be able to carry freight between American ports on the Great Lakes because of Federal laws prohibiting freight movements of this type except in ships of American construction and registry.

In 1937 more than 87 percent of the United States water-borne commerce on the Great Lakes consisted of traffic in coal, iron ore, limestone, and unmanufactured steel—practically all destined for consumption within the tributary area. Traffic in these commodities would be largely unaffected by construction of the seaway. About 10 percent of total water-borne commerce consisted of miscellaneous products, most of which would likewise be unaffected by construction of the seaway. Less than 3 percent of the total consisted of grain and grain products, and a good part of this traffic represented domestic shipments.

In view of the nature of traffic on the Great Lakes, it is doubtful that shipping companies would have to meet foreign competition on as much as 3 or 4 percent of their present business.

Question 17. What will be the effect of the seaway upon the railroads?

Answer. The seaway will increase the freight transport capacity of the United States by not more than 10,000,000 tons annually. In a good year the railroads carry 1,000,000,000 tons of freight. If every ton of freight carried over the seaway consisted of products that otherwise would have been carried by the railroads, the diversion would amount to 1 percent of total rail freight traffic.

Actually the diversion of traffic from the railroads to the seaway shipping services would never amount to as much as 1 percent of the total rail traffic. There are two reasons for this:

1. The establishment of cheap water transportation would stimulate the shipment of some products which, because of high rail rates, are not now shipped at all, and which therefore would represent a net addition to existing traffic. That is what happened after the Panama Canal was built, and that is what would happen after construction of the seaway.

2. The growth of the population of the United States and the increases in its productivity require constant expansion of transportation facilities to handle the increasing volume of traffic. Hence, a large proportion of the water-borne commerce moving through the seaway would represent, not freight diverted from the railroads but new traffic arising out of the needs of a growing population with rising standards of living.

It is conceded by financial and industrial leaders that the United States must have an annual income of over \$135,000,000,000 a year in order to give adequate employment to its working population. Railroad plant and rolling stock, on the other hand, were geared, prior to the war, to a rate of traffic based upon a national income which during the 1930's ranged between forty and ninety billion dollars a year. Since then there has

been much depreciation of railroad equipment without the opportunity for replacement. Railroad managements have been able to recoup a part of the value of their property through increased revenues. After the war they will have to expand greatly their facilities for freight and passenger service. The St. Lawrence seaway would help carry the larger amount of traffic resulting from greater economic activity, during the summer peak of freight traffic.

In building the seaway we would not be harming the railroads; we would be making it possible to handle freight traffic for which carrying capacity now in existence will not be adequate.

Competition of water carriers using the seaway might force the railroads to reduce their freight rates. In this case, freight traffic carried by the railroads would increase, and it would be beneficial to the American people.

Certainly there is nothing in this situation that can hurt railroad labor.

Question 18. It is asserted that the proposed seaway will be uneconomic because it would be closed to shipping for nearly 5 months every winter due to ice in the Great Lakes. What are the facts?

Answer. The 7 months during which the seaway will be open—from the first of May to the first of December—are the months when farmers ship their crops to market and when demands for rail and other transport facilities are greatest. Thus the seaway will dovetail into our national transportation pattern, relieving the strain on the railroads during the peak period.

The St. Mary's Canal at Sault Ste. Marie, Mich., is also icebound for 5 months every winter. It can hardly be said, however, that this canal is uneconomic. The tonnage moving through it during the 7-month season exceeds the combined tonnage of the Panama and Suez Canals during a 12-month season.

Question 19. How will the seaway-power project affect coal producers? The National Coal Association representing bituminous coal producers, fears that the seaway would (1) permit British and Nova Scotian producers to invade the present Canadian market for United States coal and (2) reduce railway coal consumption in the United States. At the same time, the association fears that (3) if power is developed in upper New York State by harnessing the flow of the St. Lawrence and Niagara Rivers, instead of by building steam-generating plants, a potential market for coal will be lost. How do these fears square with the facts?

Answer. 1. The United States produces about 450,000,000 tons of coal a year. It exports an average of 11,000,000 tons of anthracite and, during peacetime, bituminous coal to Ontario and Quebec annually (not 19,000,000 tons as claimed by the coal association). The bulk of our exports to Canada—an average of 8,700,000 tons—consists of bituminous coal shipped to the Province of Ontario. That British producers would not be able to invade this market after construction of the seaway is shown by the fact that we already sell nearly four times as much bituminous coal to the Province of Quebec, east of the International Rapids, as Britain does—during 1935-39 an average of 753,000 tons, as against 193,000 tons—and Quebec is a seaport Province. If Britain cannot outsell us in Quebec now, she certainly cannot outsell us in Ontario after the seaway is built.

The only other possible source of competition for the Ontario bituminous market would be Nova Scotia. United States coal has nothing to fear from the small Nova Scotian mines, however, because the present output of these mines could not be increased more than 2,800,000 tons a year—and this probably at an increased cost.

Construction of the seaway would increase the freight capacity of the St. Lawrence canal system by 16,000,000 tons a year. About 10,000,000 tons of this capacity would be available for United States traffic, so that only 6,000,000 tons would be left for Canadian traffic. Obviously, therefore, it would be a physical impossibility for British and Nova Scotian producers to ship 19,000,000 tons of coal a year through the seaway into Ontario markets, as the coal association asserts they would do if the seaway were completed. There is no such market to invade, and American coal is cheaper in Ontario than either British or Nova Scotian coal.

2. Construction of the seaway would not reduce the amount of coal now consumed by the railroads. If the seaway is built, however, a smaller amount of new railroad facilities will be needed to provide for future transport needs. Hence, the amount of additional coal which the railroads would otherwise use might be slightly reduced. It is a reduction from an increase.

If, 25 years ago, producers of oats had opposed the manufacture of automobiles on the theory that the new gasoline buggies would displace horses and thereby reduce the market for oats, their position would have been no more absurd than the present position of the coal producers on the St. Lawrence issue. Deep-water transportation is relatively less expensive than rail transportation. Yet the Coal Association opposes the seaway and advocates the expansion of high-cost rail facilities on the ground that this would increase the market for coal. Most people will be inclined to reject this kind of reasoning. They realize that economic betterment comes from lowering prices, not from raising them.

3. The Coal Association contends that the hydroelectric power development contemplated on the St. Lawrence and Niagara Rivers would reduce the future coal market by "between 30,000,000 and 35,000,000 tons of coal annually." The association's arithmetic is bad. According to the best engineering estimates, 5,500,000 tons of coal would be required annually to generate steam power in an amount equal to proposed hydro power production on the St. Lawrence and Niagara Rivers.

It by no means follows, however, that the St. Lawrence-Niagara hydro development would destroy a potential market for some 5,500,000 additional tons of coal at some future time. Experience in the Southeastern States since the creation of the Tennessee Valley Authority strongly supports the conclusion that the development of cheap water power under public auspices has the effect of increasing the total industrial demand for electrical energy, thus increasing the market for coal and for industrial use.

Between 1934, when T. V. A. began operations, and 1940, the amount of coal used in the generation of electric energy in the Southeastern States increased about 250 percent, whereas the increase in the United States as a whole was only 59 percent. The coal association charged in 1934 that T. V. A. was a "menace to the coal industry," but whereas only 540,000 tons of coal was used in the T. V. A. area in 1934, 1,891,000 tons was so used in 1940. There is no reason to doubt that the coal industry would be similarly affected by the St. Lawrence-Niagara development.

Far from reducing coal consumption, the St. Lawrence project would increase it. The cheap transportation and the cheap power made available in the Great Lakes Basin would stimulate industrial expansion. Growing industrial activity would mean growing markets for coal. For these reasons, it is clear that in opposing the seaway-power project the National Coal Association is opposing its own best interests.

Question 20. Is it true that the St. Lawrence project has been twice defeated in Congress?

Answer. No. The St. Lawrence project has been in Congress twice before, but has been voted on only once by the Senate of the United States. The project came before the Senate in 1932 in the form of a treaty negotiated by the then Secretary of State Henry Stimson and President Herbert Hoover. During 1933 extensive hearings were held in the Senate Foreign Relations Committee, which overwhelmingly recommended its ratification. The consideration of the treaty was delayed in the Senate until March 1934, when, after extensive debate, it failed of ratification by a vote of 46 to 42, the majority in favor of ratification but short of the necessary two-thirds vote.

The project then came before the Congress again in 1941 in the form of an agreement. The House Rivers and Harbors Committee held hearings over a period of 2 months and upon testimony of Cabinet members, the heads of war agencies, governors, mayors, and many trade, labor, and agricultural groups approved the project by a favorable vote of 17 to 8. The bill containing the St. Lawrence project was reported to the House on November 22, 1941. The Pearl Harbor disaster within 2 weeks naturally postponed consideration of long-range projects, as priority had to be given to war measures.

The truth is then that the 1934 St. Lawrence treaty failed of a two-thirds vote in the Senate, but at no time has the project been presented to the two Houses as a legislative proposal to be approved by a majority vote. It has been approved by every committee of Congress which has considered it.

Question 21. Why is the agreement method used in approving the joint construction of this project between Canada and the United States, instead of a treaty?

Answer. An international agreement, subject to majority approval of the two Houses of Congress, is a constitutional means of effecting common action between two countries. This device has been used on many and important occasions in the course of United States history. The great State of Texas was admitted into the Union by a joint resolution approved on March 1, 1845, through majority vote of the two Houses of Congress, after a treaty failed to win two-thirds vote of the Senate. Likewise, in the case of Hawaii a treaty of annexation lacked support of the two-thirds of the United States Senate. Thereafter Congress passed a joint resolution to accomplish this same purpose.

The honorable Secretary of State, Cordell Hull, himself a great authority on treaties and agreements, assures us that the agreement method is a legitimate exercise of constitutional powers, and Justice Robert Jackson has so held in an opinion which he rendered as Attorney General.

This method of approving international undertakings is also confirmed by the greatest authority on executive agreements, Dr. Wallace McClure, in his book, *International Executive Agreements*, published in 1941. The primary effects of the St. Lawrence seaway and power project will be domestic, and it has seemed fair to give both Houses of Congress their constitutional right to legislate in a matter of grave importance to the domestic welfare of the United States.

ADDITIONAL PAY FOR ARMY INFANTRYMEN

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge, which were,

on page 1, line 4, after the word "man", to insert "of the combat ground forces", and in the same line, to strike out "assigned to the Infantry."

Mr. HILL. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PAY ALLOWANCES AND PRIVILEGES OF GLIDER UNITS

Mr. HILL. Mr. President, yesterday the Senate passed Senate bill 1988, to amend section 18 of the Pay Readjustment Act of 1942, to provide additional pay for personnel who are required to participate in regular and frequent glider flights. The House yesterday passed an identical bill, House bill 4466. In order to expedite the enactment of the legislation, I ask unanimous consent that the House bill be taken up and passed at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. WHITE. What is the bill?

Mr. HILL. House bill 4466, which is identical with one we passed yesterday, to amend section 18 of the Pay Readjustment Act of 1942.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 4466) to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights; was read twice, considered, ordered to a third reading, read the third time, and passed.

Mr. HILL. I ask unanimous consent that the votes by which Senate Bill 1988, an identical bill, was ordered to a third reading, and passed be reconsidered, and that the bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF PROVISIONS OF SELECTIVE TRAINING AND SERVICE ACT OF THE VIRGIN ISLANDS

Mr. HILL. Mr. President, yesterday the Senate passed Senate bill 1825, a bill to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands. The House yesterday passed an identical bill, H. R. 4810, and I ask that the House bill be taken up and considered at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 4810) to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands, was read twice, considered, ordered to a third reading, read the third time, and passed.

Mr. HILL. Mr. President, I ask unanimous consent that the votes by which Senate bill 1825 was ordered to a third reading and passed be reconsidered, and that the bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CHARGES OF COMMUNISM MADE AGAINST PHILIP MURRAY AND SIDNEY HILLMAN

Mr. GUFFEY. Mr. President, some days ago the senior Senator from North

Carolina [Mr. BAILEY] stated on the floor of the Senate that Mr. Philip Murray, the duly elected head of the Congress of Industrial Organizations, and Mr. Sidney Hillman, chairman of the C. I. O. Political Action Committee, were both Communists.

I do not know the source of the information of the Senator from North Carolina on this point, and perhaps he himself would now find it difficult to recall the name of the particular little bird that told him this. Personally, I am somewhat surprised, because Philip Murray is an old friend of mine, of more than a quarter of a century, a fellow Pennsylvanian, and is known to me as a good American of Scotch ancestry, and a devout Christian.

Although Mr. Sidney Hillman is not one of my constituents, since he is a resident of the State of New York, I am rather surprised to hear that the Senator from North Carolina also declares him to be a Communist.

I have known Mr. Hillman also for many years and have learned to regard him as a wise, farsighted, and deeply cultured gentleman, with a skill and intelligence in labor leadership which would have earned him a great fortune had he applied the same qualities to his self-enrichment.

As a matter of fact, I am somewhat puzzled when I hear the senior Senator from North Carolina, and others who remotely resemble him, call anyone whom they dislike or fear a Communist.

I assume that the Senator does not mean that they are members of the Communist Party, because they cannot very well be members of a party which no longer exists, that party having been dissolved by its leader, Mr. Earl Browder, after he had pledged his followers to abstain from any activity which might subvert American democracy.

I doubt, naturally, that the senior Senator from North Carolina based his accusation on the files of a certain committee, three of whose members were recently and most reluctantly compelled to abandon their congressional careers because their constituents did not agree with their view that any liberal or New Deal Democrat was, by definition, a Communist.

Neither do I believe that the senior Senator from North Carolina has assumed, even unconsciously, the attitude attributed to the Nazi leader, Hermann Goering, who, when shown a secret file which proved that one of his—Goering's—private secretaries was what they called non-Aryan, indignantly retorted: "See here. I'm the man in Germany who decides who is a Jew."

I prefer to believe rather that when the senior Senator from North Carolina calls any of his fellow citizens Communists, he believes that communism is a sort of infection which can seize upon an innocent and unsuspecting man, without his knowledge or consent.

Under this interpretation, a man need never have read Karl Marx; never have visited the Soviet Union—which, by the way, is our great and valued ally in our war against the Axis; never have joined the Communist Party or even any of

those socially progressive associations of citizens which have been termed "Communist Front" organizations, and yet be a Communist.

He can, by this definition, be a devout church member, a good citizen, a substantial taxpayer, interested in electing good men and in backing good causes, and yet he can be called a Communist by the senior Senator from North Carolina.

It seems to me that, by this definition, a good many of us in this Congress cannot hope to escape.

Take myself, for example. I wonder how I can hope to escape the political ex-communication which awaits any man of whom the senior Senator from North Carolina disapproves.

In my time I have contributed to such organizations as the Single Tax Club of Pittsburgh, the American Civil Liberties Union, to the defense funds of Sacco and Vanzetti, to the fund raised for Tom Mooney, to the fund raised in connection with the Scottsboro case in Alabama, and to other groups of American citizens with a cause and purpose to improve the lot of their fellow men.

I also subscribe to PM and other militant liberal publications which have also been called communistic.

In giving them funds and in lending them the use of my name or in reading their columns, I did not for one moment pretend to agree with anything or everything they advocated, but I thought that they had good intentions, were thinking of the welfare of their country and their fellow men, and so deserved aid and encouragement.

Perhaps it was wrong of me to do so. Perhaps by so doing I, without my own knowledge or consent, became a Communist, too.

Perhaps, by this definition I ought to be expelled from this body particularly as I am also a New Deal Democrat and am standing by the President of the United States—our constitutional Commander in Chief—in this crisis, instead of joining with those Members of my party who are reactionary in their policies, whatever name they choose to take for their politics.

Indeed, some of my critics among my fellow Democrats have, themselves, a record for party irregularity which gives a peculiar and sardonic humor to their public attacks on me, a life-long and loyal member of the party founded by Thomas Jefferson and reinvigorated by modern leadership such as that of Woodrow Wilson and Franklin Delano Roosevelt.

When I read in the newspapers the statement made by the senior Senator from North Carolina about bolting the party, I recalled that some months ago I received a letter from North Carolina bearing on this subject, and I believe at this time it should be read into the RECORD.

The author of this letter is a deeply respected leader of the bar in the State of North Carolina. I do not know this gentleman personally, but on inquiry I find that he is generally regarded as the highest type of citizen, a man admired and trusted in his community and pro-

fession, and, just to avoid another of those red herrings, I would add that he is a North Carolinian born and bred and is white, that he attended the University of North Carolina at Chapel Hill, taking both the academic and law courses, and for 12 years was a member of the board of trustees of that institution.

Here is what this gentleman has written to me concerning the political record of the senior Senator from North Carolina:

DALTON & DALTON, ATTORNEY AT LAW,
Reidsville, N. C., December 11, 1943.

DEAR SENATOR GUFFEY: I have just read with much concern and interest Senator BAILEY's and Senator BYRD's speeches in the Senate, reported in the CONGRESSIONAL RECORD of the 7th instant, in which you are attacked most vehemently by Senator BAILEY.

Knowing something of Senator BAILEY's political record in North Carolina, as I do, I was stung with indignation when I read his speech in which he assumed falsely to speak as one who had always been a regular, old-line southern Democrat of long years' standing.

His political record will not bear out the assumptions, inferences, and conclusions, which his speech implies. He has never been a liberal, progressive Democrat, and his record shows that he is not in sympathy in the main, with the New Deal or with President Roosevelt's policies.

He has been on nearly all sides of many public questions so far as the different parties are concerned.

When a young man, he was editor successor to his father—of the Biblical Recorder, a State Baptist paper, published in Raleigh, N. C., and while editor he wrote numerous editorials dealing with political and temperance questions.

In his recent Senate speech, he refers to himself as a southern Democrat, saying, "I would remind them that southern Democrats maintained the Democratic Party and kept it alive in all the long years of its exile," etc.

Let us see if Senator BAILEY maintained the Democratic Party and kept it alive years ago at the time he refers to.

In the November 16, 1898, issue of the Biblical Recorder, he said:

"We thank God that we have come upon a time when no party organization can carry an election in North Carolina."

In the April 26, 1899, issue of the Biblical Recorder he said:

"Party fealty is strong in our Commonwealth but there are many men not a few of them readers of this paper who will be quick to revolt against any political party that fails of representing the people or that refuses to espouse the principles they hold dear. We are not opposed to anyone being a member of a party but the editor of this paper."

In 1899 he said that he was opposed to his being a member of a party. In 1943 he glories in his past record. Claiming that he is one of those southern Democratic Senators who has "maintained the Democratic Party and kept it alive in all the long years of its exile."

In 1898 Mr. BAILEY was charged with being a Republican but he then said that he was an Independent.

The Wilmington (N. C.) Messenger in 1898, referred to Mr. BAILEY as a Republican. Upon learning of this, Mr. BAILEY wrote a letter to the editor on August 13, as follows:

"You speak of me as a young Republican. This is a mistake and may injure me. I am an Independent and always have been. Please make correction."

If the matchless, militant campaign of 1896 by the Democratic Party, conducted by

the great "Commoner of the West," fell on deaf ears and left Mr. BAILEY in 1898 still an Independent in party affiliation, are you surprised today, in 1943, that he gets out of line with the New Deal principles, in the main, and with President Roosevelt's policies and now threatens to bolt the Democratic Party and form a "Southern Democratic Party" to vote as it pleases in the electoral college and to hold the balance of power in this country?

And yet, in the face of such a vacillating, changeable, and uncertain party affiliation record, Senator BAILEY has the boldness to stand up in the United States Senate and by speech leave the impression that he should be included among those southern Democrats who have always been firm in the party's faith and regular at all times in advancing the party's cause in the South and in the Nation.

Now contrast this Mr. BAILEY who, in 1900, was preaching Republican doctrines so insidiously that he actually converted Democrats into Republicans, with Mr. BAILEY, in 1943, in the Senate, when he said:

"There shall be no aspersions upon our honor, least of all, last of all, and most grievous of all, from the party we kept alive, from the party whose victories we have won, and the party which could not live 5 years without our support." (CONGRESSIONAL RECORD, December 7, 1943, p. 10456.)

I know of no man in public office today, from the South, who pretends to be a Democrat, who has had a more changeable, more variable, more irregular, or more inconsistent party affiliation record than Senator BAILEY.

He is a splendid and very able lawyer and personally I like him, but that has nothing to do with his political beliefs and party record.

As a loyal southern Democrat, who has always voted the Democratic ticket save and except in 1928, when I could not support Tammany and its nominee, Al Smith, I passed up the national box and did not vote for President—I cannot remain silent and let the impression prevail that Senator BAILEY's action in the Senate meets with the approval of the North Carolina Democrats.

He does not speak for me and thousands of other liberal and progressive southern Democrats like me. Our State gave a 400,000 Democratic majority for President Roosevelt in the last election, and we stand ready, able, and willing to make his majority that much or more in 1944 if he runs for the fourth term, and we hope firmly that he will.

We are for him and for the New Deal. The only trouble now is that certain southern Democrats, and others, who are opposed to Roosevelt, are trying to block Federal legislation that will give the soldiers and sailors the right to vote for President in the coming primaries and election, under the false contention that States' rights are involved and that the States ought to handle it.

We know what this false contention means and what its purpose is.

Let us stay behind and support our Commander in Chief and win the war and after that a permanent peace without isolationism.

My attitude toward him was most admirably expressed by Congressman JOHN W. FLANNAGAN, Jr., when he said:

"I am one of those who believes that God still moves in the affairs of men, and that to me it was no accident but divine providence that directed the shattering of a long-established precedent and brought about the election of Franklin D. Roosevelt for a third term. America—yea, the whole world—needs Mr. Roosevelt's leadership, and as for me, today in common with the countless millions scattered over a confused and frightened world, I thank God daily for supplying that leadership."

If Senator BAILEY wants to "take a little walk," he, of course, has the right to do so, but he will "walk alone," for the rank and

file of North Carolina Democrats will never walk with him.

I thank God, during these trying times of peril and unrest, that the average Southern Democrat still believes in his party from the standpoint of principle and eternal right and not from expediency.

Upon these principles it was founded, and upon them it will continue to fight and carry on.

North Carolina Democrats will not be swept off of their feet by the efforts of a certain coterie of disgruntled southern Democratic congressional leaders who are trying to turn the party and the country over into the hands of the reactionaries and predatory interests.

Their slogan seems to be: "God bless the rich; the poor can beg."

Yours very truly,

WM. REID DALTON, Sr.

I am in receipt of a letter dated June 14, 1944, from Mr. Dalton, in which he requests and urges me to read this letter into the RECORD.

I also ask to have inserted in the RECORD at this point as a part of my remarks an editorial from the Greensboro Daily News of Sunday, June 11, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT THE WAY

While the Daily News has long been among those who believe that the South would profit greatly by development of a two-party system, we cannot find ourselves in any sympathy with the course of defection which is being manifested by Democrats in South Carolina, Texas, and Mississippi.

The course which they are following is not calculated to gain them strength in either party, and a new party patently will not get anywhere in advancing its own presidential candidate or winning key positions in House and Senate where southern Democratic influence, for whatever it may be worth, is still strongest.

The South is not going to improve its economic, social, or political lot by formation of what is the equivalent of another secessionist party or by inauguration of a political movement which is founded upon prejudice, demagoguery, and inequity. Any realists in the States at point must recognize that the politicians who control the conventions are not the people, the voting public, who, by every election test that has yet come, are out of step with these old line party bosses who are speaking and setting essentially for themselves and what is to all appearances another lost cause.

When political realignment, of the sort that the South really needs, comes it will have to rest upon far sounder, deeper, and more rational causes than have motivated the present defections. The South is not going forward by perpetuation and aggravation of the very defects and deficiencies which have held it back. Its problems will have to be met and solved on a higher, more discerning, honest, and intelligent level.

STAY OF CERTAIN JUDICIAL PROCEEDINGS AGAINST THE UNITED STATES IN TIME OF WAR

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1173) to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services

to such vessels, when the Secretary of the Navy certifies that the prosecution of such proceedings would endanger the security of naval operations or interfere therewith, and to authorize the settlement and payment of such claims, and for other purposes, which were, on page 4, line 13, after "stay," to insert, "or suspension, either of prosecution of suit or of the taking of testimony"; on page 6, after line 15, to insert:

SEC. 5. In any case in which either the United States or a claimant against the United States in one of the cases specified in section 1 of this act has been prevented by any stay or suspension provided for in this act from examining any witness, and in any case where the United States shall establish to the satisfaction of the court that it has refrained from instituting suit or from taking the testimony of any witness in any pending suit in order to avoid endangering the security of naval operations or interfering with such operations and where, in either of such cases, it shall appear to the satisfaction of the court, on appropriate evidence or by agreement by counsel, that the United States or the claimant, as the case may be, is unable after reasonable efforts to secure the testimony of any such witness, the court shall receive in evidence, in lieu of such testimony, (a) the affidavit of such witness, duly sworn to before a notary public or other authorized officer, or (b) the statement or testimony of such witness before a naval investigation, board of investigation, court of inquiry, or court martial, or Coast Guard investigation: *Provided*, That the use of such testimony shall not in any litigation make admissible the remainder of the said record or compel the production of the remainder of said record by the United States.

In considering such affidavit or statement or testimony, the court shall give such weight to it as the court thinks proper under all the circumstances of the case.

On page 6, line 16, to strike out "5" and insert "6"; on page 6, line 23, to strike out "6" and insert "7"; on page 7, line 18, to strike out "\$100,000" and insert "\$1,000,000"; on page 7, lines 20 and 21, to strike out "\$100,000" and insert "\$1,000,000"; on page 7, line 23, to strike out "\$100,000" and insert "\$1,000,000"; on page 8, line 1, to strike out "7" and insert "8"; and on page 8, line 3, to strike out "\$100,000" and insert "\$1,000,000."

Mr. TYDINGS. Mr. President, this is a bill which passed the Senate, to which the House has made minor amendments. I move that the Senator concur in the House amendments.

The motion was agreed to.

TRANSPORTATION TO THEIR HOMES OF CERTAIN PERSONS DISCHARGED FROM THE NAVAL SERVICE

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1894) to provide for the transportation to their homes of persons discharged from the naval service because of under age at time of enlistment, which were, on page 1, line 8, to strike out "the same"; and on page 1, line 8, to strike out all after "transportation" over to and including "guardian," in line 1 of page 2, and insert "home."

Mr. TYDINGS. Mr. President, this is a Senate bill to which the House has made some minor and clarifying amendments. I move that the Senate concur in the House amendments.

The motion was agreed to.

CONDITIONAL ADJOURNMENT OF THE CONGRESS

Mr. BARKLEY, by unanimous consent, submitted a concurrent resolution (S. Con. Res. 46), which was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, June 23, 1944, they shall stand adjourned until 12 o'clock meridian on Tuesday, August 1, 1944, or until 12 o'clock meridian on the third day after their respective Members are notified to reassemble in accordance with section 2 of this concurrent resolution, whichever event occurs first.

SEC. 2. The President of the Senate and the Speaker of the House of Representatives shall notify the Members of the Senate and the House, respectively, to reassemble whenever in their opinion legislative expediency shall warrant it or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation.

AUTHORIZATION TO SIGN BILLS AND JOINT RESOLUTIONS DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I send to the desk a concurrent resolution, which I offer and ask to have stated.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated.

The legislative clerk read the concurrent resolution (S. Con. Res. 47), as follows:

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the two Houses, as authorized by Senate Concurrent Resolution 46, the Acting President pro tempore of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

Mr. WHITE. Mr. President, I should like to ask the Senator from Kentucky a question. I take it that this concurrent resolution and the concurrent resolution previously agreed to follow the usual form; is that correct?

Mr. BARKLEY. That is correct. They take care of any hiatus which might occur, because of the adjournment, in the ordinary proceedings of the two Houses.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 47) was considered and agreed to.

AUTHORITY TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask that the order which I send to the desk be entered.

The ACTING PRESIDENT pro tempore. The order will be read.

The legislative clerk read as follows:

Ordered, That the Secretary of the Senate be, and he is hereby, authorized to receive messages from the Houses of Representatives following the adjournment of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, the order will be entered.

SUSPENSION OF THE RULE RELATING TO NOMINATIONS UNACTED UPON

Mr. BARKLEY. Mr. President, I ask that the order, which I send to the desk, be entered.

The ACTING PRESIDENT pro tempore. The order will be stated.

The legislative clerk read as follows:

Ordered, That paragraph 6 of rule XXXVIII of the Standing Rules of the Senate, relating to proceedings on nominations, be, and it is hereby, suspended with respect to nominations unacted upon, and their status shall not be affected by the adjournment of the Senate under the provisions of Senate Concurrent Resolution 46.

The ACTING PRESIDENT pro tempore. Without objection, the order will be entered.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

Mr. RUSSELL. Mr. President, I ask that the Senate recur to consideration of the amendment of the House to Senate amendment No. 3 to House bill 4967, being the appropriation bill for the Military Establishment.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. RUSSELL. Mr. President, late yesterday afternoon the Senate adopted an amendment to the amendment which was in disagreement between the two Houses. The amendment was offered to attempt to make the language conform to certain language which was offered in the conference by the House conferees.

This morning the Senator from South Dakota [Mr. GURNEY], who was greatly interested in this item, and myself talked to some members of the subcommittee on military affairs of the Appropriations Committee of the other body. It appears that no useful purpose will be served by returning to conference on this item. The question involved is the effort of the House of Representatives to discontinue A. S. T. P. training of young men who have been selected for the Medical Corps to attend medical colleges. The action of the House in this amendment would have the effect of discontinuing that training. But the House conferees would not recede from their position, and undoubtedly they will be sustained by the House. Therefore it seems that no useful purpose can be accomplished by returning the matter to conference.

Mr. President, I wish to say that I hope the War Department will not accept this action as final. It may be the policy of the Appropriations Committee of the House of Representatives, but the standing Committees on Military Affairs of the House and the Senate have never approved such legislation. I hope the War Department will immediately request the standing committees of the House and Senate to enact legislation which will clarify this very unfortunate and deplorable situation.

In view of the circumstances, however, I ask unanimous consent that the Senate reconsider its action in adopting the amendment which I offered yesterday afternoon, and that the Senate agree to the House amendment to Senate amendment No. 3.

Mr. MCKELLAR. Mr. President, if the Senator will yield, I should like to ask whether, if his request is agreed to, that will mean the final passage of the Military Establishment appropriation bill.

Mr. RUSSELL. Yes; it will mean that the bill will go to the President.

Mr. GURNEY. Mr. President, if the Senator will yield to me, so that I may make an observation, I should like to state that the Senator from Georgia and I are in agreement that the amendment of the House will prevent the sending of any more men by the Army to medical schools, and also will prevent sending men in similar categories to school for training as dentists and veterinarians.

Mr. RUSSELL. Yes; it will prevent the further training of such men for service in any branch of the medical profession or as veterinarians.

Mr. GURNEY. Also, it should be noted that the time limit is June 7, 1944. In other words, those who were in the program prior to June 7 can remain in it, and will be able to finish their courses, provided they receive proper marks.

Mr. RUSSELL. That is correct.

Mr. GURNEY. But no new students may be assigned by the Army to those three classes of schools.

I wish to join the Senator from Georgia in saying that I hope the War Department will present to Congress at the earliest opportunity a new bill authorizing the continuation of such young men in school for certainly 3 or 4 years from now. If medical training is stopped, there will ensue a serious shortage of doctors. In fact, we have such a shortage at the present time, so much so that the Army is accepting doctors even as old as 50 years of age, and is giving them commissions.

Mr. RUSSELL. I thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Georgia has asked unanimous consent that the Senate reconsider its action in adopting the amendment to the House amendment to Senate numbered 3. Is there objection? The Chair hears none. Without objection, it is so ordered.

The question now is on agreeing to the amendment of the House to the amendment of the Senate numbered 3.

The amendment was agreed to.

RELIEF OF SAUNDERS MEMORIAL HOSPITAL

Mr. SMITH. Mr. President, I move that the Senate proceed to the consideration of House bill 1737, Calender No. 883.

The ACTING PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1737) for the relief of Saunders Memorial Hospital.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMITH. Mr. President, I am sure the Senate does not understand this bill. The Saunders Memorial Hospital is in the city in which my home is located. Certain Army officers approached the superintendent of the hospital building and stated they wished to use it as a base for the airport which is located near the town. The hospital superintendent agreed. He was asked if he could vacate the building within 10 days. He replied, "I have some patients and I have a nurses' training school, and it might embarrass me to move that quickly. But in order to accommodate the Army, I will attempt it."

It is alleged, and can be proved, that the Army officers employed some of the members of the organization of the Saunders Memorial Hospital. A price and a time, which are specified in the bill, were agreed upon. After the superintendent had dissipated his whole organization, turned out his internes, moved the patients, and left the hospital, the Army officers said, "We do not want it." By that time the building had been vacated, and the organization had been dissipated. The superintendent now is left with a hospital which is standing there empty. His organization is gone. He has asked for relief. I should like to have Senators who have any doubt about the matter read the reports of the Committees on Claims of the House and the Senate. To me, this matter is the most outrageous and disastrous thing which could happen to a worthy citizen.

Mr. President, I ask for the passage of the bill.

The ACTING PRESIDENT pro tempore. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 1737) was ordered to a third reading, read the third time, and passed.

Mr. WHITE. Mr. President, I should like to make a very brief statement.

On yesterday, when unanimous consent was requested for the consideration of this bill, I objected. I did so at the instance of the Senator from Connecticut [Mr. DANAHY]. I believe that I should say in justice to him that his opposition to consideration of the bill was not one of affirmative hostility, but that it rested on his belief that he had an inadequate body of information before him in order to reach a sound judgment

concerning the matter. I wish it to be shown of record that his opposition was not because of any affirmative hostility.

NOMINATION OF ERNEST JOSEPH DAWLEY TO BE A BRIGADIER GENERAL IN THE ARMY

Mr. RADCLIFFE obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. CONNALLY. Yesterday, as in executive session, I entered a motion that the Senate reconsider the confirmation of the nomination of Ernest Joseph Dawley to be a brigadier general, temporary in the Army of the United States, and moved that the President be requested to return the notice of confirmation to the Senate. It has been returned to the Senate, and I now move to reconsider the confirmation. I entered the motion yesterday.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Texas.

The motion was agreed to.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the nomination be recommitted to the Committee on Military Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HILL. Mr. President, if the nomination is recommitted to the Military Affairs Committee, under the rules of the Senate it would be reported after the hour of 2 o'clock. Also, under the rules of the Senate, the nomination would go over until another day.

Mr. CONNALLY. I have merely asked that the nomination be recommitted to the Committee on Military Affairs.

Mr. HILL. Why not allow it to lie on the table?

Mr. CONNALLY. Mr. President, I withdraw my unanimous-consent request that the nomination be recommitted to the Committee on Military Affairs, and ask unanimous consent that it lie on the table.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and it is so ordered.

ADVANCEMENT OF REAR ADMIRAL EMORY S. LAND TO THE RANK OF VICE ADMIRAL

Mr. RADCLIFFE. Mr. President, when Calendar No. 917, House bill 634, was called up yesterday on the calendar, objection was raised to consideration of the bill by the Senator from Vermont [Mr. AIKEN], who expressed the desire to have an opportunity to prepare and present a statement. He informs me that he is now ready to present such a statement, and therefore has no objection to the bill coming up for consideration at this time.

I move, Mr. President, that the Senate proceed to the consideration of House bill 634.

Mr. WHITE. Mr. President, I am sorry, but I did not understand the motion of the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland [Mr. RADCLIFFE] has moved that the Senate

proceed to consider House bill 634. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. AIKEN. Mr. President, this is a bill which I asked to have go over when it was called up yesterday, in order that I might have time in which to prepare a very short statement to deliver when the bill was subsequently taken up. I have been able to avail myself of the necessary time in which to prepare a statement, and I have no objection to the bill being considered at this time.

Mr. RADCLIFFE. Mr. President, the promotion of Admiral Land to be vice admiral is a fitting although inadequate recognition of the remarkably efficient services which he has rendered this country. The invaluable work which he has done since he has been in charge of the Maritime Commission, and also of the War Shipping Administration, has been a big and highly successful factor in our conduct of the war. He has fully earned the confidence of the people of the United States.

Many statements have been made from time to time in regard to the indispensable services of Admiral Land. These, I will not attempt even to summarize but will refer as follows merely to a few aspects of them.

MERCHANT MARINE

Ships have been outstanding in the fight against sectionalism and isolationism. No thoughtful man from Kansas or Colorado will insist that whether or not we possess a merchant marine is of no special concern to him, however much it may affect the interests of people in the maritime sections of our country. He now recognizes that much of his surplus products must be exported, otherwise the markets in this country would be flooded to the grave detriment of the people of his State and the rest of our United States. He realizes that he needs rubber as much as does the man in Maryland, and that the only way in which we were getting rubber in any large amount was by transporting it from the other side of the earth. It is true he appreciates that we are beginning to manufacture synthetic rubber in substantial quantities, but he recalls his recent grave doubts as to whether we would be able to do so, and his anxiety lest delay in obtaining real supplies of rubber be disastrous in our war operations and to civilian life. He is also well aware of the fact that if we had not been able to build ships a little faster than the submarine was sinking them, our fight for freedom against the sinister Nazi and Japanese would have been futile.

For these reasons and many others, the thinking man from Kansas and Colorado is now merchant-marine minded and he is likely to remain so. He will

need this attitude of mind when we attempt to work out post-war arrangements for continued vigorous use of our shipping facilities.

I remember an incident which occurred when I was a boy living in Dorchester County, Md. A man whose home was on a shore of the Chesapeake Bay needed a boat, but he did not know where to buy one and he had little of cash. He decided to build one largely by his own labor. While he was making his plans, the waves of the Chesapeake Bay washed to his shore a cabin designed for a boat. It was practically new. Thereupon he built a boat around the cabin presented to him by the waves, thereby saving time, money and materials, and he got almost the type of boat for which he had originally planned. We will agree that he was unconventional, but certainly resourceful and practical.

The Maritime Commission and War Shipping Administration had to be just as unconventional and resourceful in their herculean task of re-creating our merchant marine because necessary materials and labor were not always available. Preemptory demands for warships and their outfitings could not be denied or delayed and yet nothing was more urgent than need for the construction immediately of a tremendously large number of merchant marine ships to serve as auxiliary to warships of the seas or the air and for the transportation of passengers and cargo. Admiral Land in building ships has utilized wisely all materials available in the conventional sense. He also has accepted gratefully whatever the waves or other fortuitous circumstances have contributed. He has also searched diligently for such flotsam and jetsam as he could salvage, to aid his building program. Most assuredly he would, like the man of Dorchester County, even build a ship around a foundling cabin if the finished product would suit his purpose and economy of time, of material and labor would be obtained. The result has been the construction in an amazingly short time of the largest merchant marine the world has ever known with ships staunchly built and highly seaworthy. The record of Admiral Land and his associates has been one of glorious and indispensable achievement.

Today we and our allies need every ship we have or which we are likely to construct in the near future. This is true although the menace of the submarine has largely faded out, temporarily at least.

Occasionally some thrifty-minded individual complains that we will not need all of these ships after the war is over; that we are heedless, extravagant, and lack foresight in building so many. However, were we to build two or three times as many ships as time may show we needed to win the war, still we cannot afford to take chances of having too few ships, thereby jeopardizing unduly the success of our war effort and the lives of the members of our armed forces. Surely we must realize if many of these ships cease to be essential after peace comes, we could better afford to scuttle them in the middle of the ocean than not

have them should we be in need. But we are not going to sink them. Since no one knows when peace will come, it follows no one can know how many ships we will require in the meantime, or how pressing will be the post-war demands upon our ships to aid a world prostrate and sick almost until death. All of our ships will be utilized and indeed obsolescence and competition will require that we continue to build new ones.

Several times in our history we have had a suitable merchant marine. After the primary need terminated each time we have stooped to the pernicious folly of discarding it. Ominous international situations 8 or 10 years ago found us again with antiquated oceangoing ships totally inadequate both in number and in physical condition. The amazing success of Admiral Land with the invaluable assistance of Admiral Vickery, Messrs. Douglas, Woodward, Macauley, Cormody, Conway, Schell, Williams, Radner, Skinner, Ackerson, and many others in recreating and operating a merchant marine under the epoch-making statute of 1936, are too well known to require any repetition. I will refer to only a few significant figures:

Dead-weight tonnage of American merchant marine, end of 1941	11,000,000
Dead-weight tonnage built Jan. 1, 1942, to Apr. 1, 1944	31,444,000
Number of ships built Jan. 1, 1942, to Apr. 1, 1944	3,052
Number of ships under control of War Shipping Administration	3,100
Number of men employed in Maritime Commission yards	616,000
Number of men employed aboard ships (add 10-percent shore reserve)	130,000
Long tons of cargo shipped out of the United States in 1943	47,000,000

There were many reasons why we had to build the Liberty ships which have served so well, but we are now able to push construction of faster ships such as the Victory.

The building of new ships and reconditioning of our old ones were indispensable, but that job was only one of our many tasks involved in the creation of an adequate merchant marine. For instance we acquired from private owners, and sometimes from other nations, almost everything in the nature of ships upon which we could lay our hands. Fortunately we are now able to return many of these ships to their former private owners, and we will settle later with the other nations for their ships of which we took possession.

We had to increase many times over the number of men and women working in shipyards, in loading and manning ships. This necessitated training of many inexperienced sailors and workers and heavy additional strains on our manpower shortage. But the range of our activities did not stop even there.

No international pooling of ships and of other war facilities in history has been so successful as that which we and our allies have been operating. During the last few years the benefits derived from that pooling have been inestimable. Instead of sending three ships partially loaded to three different ports, as pre-

viously done, we use each ship for about one-third of the route. Then naturally we found we could do even better. By careful rearrangements of our poolings we could get often two ships and sometimes one, to do the entire job instead of three, so countless economies and essential expedition followed.

It is not reasonable to expect such pooling arrangements to continue definitely in post-war days, but that fact does not give warrant for unlimited cut-throat operations which can be as disastrous among nations as among individuals. For the first time there will be both imperative necessity and the opportunity for sea-minded nations to reach world-wide arrangements by which international commerce can be spared much ruinous competition.

Then we sought successfully ways and means of getting more service out of a ship. Naturally one way was greater expedition in operations. If a ship could sail faster or lose less time in loading or in discharging cargo, obviously its usefulness was increased accordingly. Some figures on what we have accomplished in that respect are especially interesting. The average turn-around time in Atlantic coast ports was reduced from 28.3 days per vessel in January to 21.5 days per vessel in March of this year, a saving of 6.8 days. Inasmuch as 356 vessels were handled, a total saving of more than 4,200 vessel-days resulted. Added to this reduction was a saving of 1.9 days in loading, eight-tenths of a day in discharging, 314 days in repairs, three-tenths of a day awaiting convoys, and four-tenths of a day in miscellaneous factors. The advantages of such savings are too obvious to need any elucidation or emphasis.

Many more opportunities for economies of time and space were found. One of these was to load our ships more heavily. It is obvious that if a ship has a certain capacity, it can carry so much and no more cargo, but when are we actually reaching the limit in capacity? A trunk apparently full can often hold much more by skillful repacking. Our success in skillfully packing and repacking our ships has been remarkable.

Our supply of tankers due to increased needs and because of sinking by the submarine was alarmingly and dangerously inadequate. The tanker has been in peace days our chief method of transportation of oil on the Atlantic coast line carrying approximately 1,000,000 barrels a day. We had to find substitute means of transporting oil inland to the Atlantic coast, and our railroads helped greatly to solve the problem by increasing their daily transportation of oil from about 5,000 barrels to approximately 1,000,000 barrels. Pipe lines and barges are among the additional sources of transportation of oil which have been utilized.

In the face of outspoken skepticism, we found it possible to place airplanes on top of ordinary cargo ships and to find nooks and crannies in which to store oil with general cargoes. Likewise we increased the usefulness of our oil tankers by loading their decks with airplanes, assembled or boxed, and we added other commodities which ordinarily could not

be carried under deck by dry-cargo ships. This increased, tremendously, of course, the importance of such additional loading. These extra burdens of the tanker really caused no substantial loss of time. During 1943 such additional cargo carried by the oil tankers amounted to 43,243,290 cubic feet, which is about the equivalent to the under-deck capacity of 91 Liberty ships.

Try to imagine the thousand and one tasks requisite in assembling a large convoy of ships to sail through submarine-infested waters. We know the gravity of the problems and our successful efforts in solving them can be described fully after the war is over.

Effective improvements in methods of harbor service, terminal contracts, and handling longshoreman labor have been made. Without sacrificing efficiency or in anywise slowing down our war program, plans were carried out by which many ports on the Atlantic coast and the Gulf of Mexico have been developed in our maritime operations. These present-day results will have especial value in post-war shipping.

Another knight has entered the list, the prize of which is world trade. I refer to the airplane now destined for a share in international commerce vastly in excess of what anyone before the war ever dreamed of. The commercial airplane will be increasingly useful, especially in the transportation of passengers and many kinds of freight. I do not mean to minimize the potentialities of the airplane, but it will never supplant the ship as the mainstay in commerce over the seas.

Already there is too much talk in this country and out of it as to who will control the post-war commerce of the world. The answer is that no nation will or should. I feel confident that the premiers of Great Britain and her Dominions in recent conferences sought no such grandiose or impossible plans. Also very recently there have been comments in this country as to the discussions in the British Parliament regarding the British Empire, and her Dominions in the field of air commerce. In this country there have been some heedless and ill-advised prognostications as to how world trade will be handled after the war.

With the coming of peace the nations which have fought successfully to preserve freedom and justice in this world will have an unprecedented opportunity to work out again plans for international understandings concerning commerce by ship and airplane. Many highly important questions unknown to our ancestors will press for solution. I refer to such matters as freedom of the air, innocent passage, and technical stops—to which list might be added the old-fashioned term "cabotage." A few years ago who would have believed that grave controversies would arise as to who had rights above the clouds? Old-fashioned theology pictured only a delectable and hallowed status for such aerial regions, but it would have been blasphemous for human voice to claim or impious for human hand to seek dominion there. If the successful nations do not avail them-

selves of this opportunity in the proper spirit of concession and cooperative effort, they may forfeit the freedom they have preserved at the cost of so much effort, treasure, and blood.

Of course we must be on the alert to protect our interests, but that does not mean that a spirit of blatant self-sufficiency and isolationism will direct our councils. After the struggles and tragedies of the present war it is inconceivable that the viewpoint will persist that nations unlike individuals cannot deal with each other without hot-headed friction, and that to be assertive to protect the interests of one's country, strife-creating discord among nations is inevitable.

The Merchant Marine Act of 1936 authorized a program of subsidies for paying differentials in cost of construction and operation as contrasted with those of competitive nations. Those wise policies underlie the many far-sighted provisions in that act, truthfully regarded as the Magna Carta of our maritime policy. Nevertheless, that act leaves many of our problems unsolved, for instance, as to monopolies and cartels. Some other seafaring nations find such combinations exceedingly advantageous, especially in meeting foreign competition. Should the same company own railroads, steamships, and airplanes subject to close public regulations? These questions are knotty ones and we cannot settle them merely by resort to historic precedents or to general concepts. We must be practical, continuously so, if we are to hold our own in world-wide competition.

Some people among the Allied Nations have not hesitated to state quite bluntly that the United States is expected to divide its ships with our allies. Probably in a measure we will, but when, how, and to what extent no one can possibly know at this moment. Efforts to settle now such questions are likely to be futile and friction-breeding. In a speech which I made in the United States Senate on last October 12, I deplored hasty and ill-advised attempts to dispose now of various international problems, instead of waiting to do so until the coming of post-war days. Little beyond careful exploratory studies and at times tentative arrangements can be done now.

We seek no dominion over other peoples, but rather the welfare and security of both the United States and of other peace-loving nations. We insist that our ships shall continue to sail the seas freely and unchallenged and to trade around about the world in friendly, if spirited competition, with other peoples. We will continue to need the dozen sea bases which we secured from Great Britain under 99-year leases, which will, I believe, become permanent holdings. Likewise we must have perpetually available to us other suitable bases in all of the oceans of the world for both our shipping and air commerce since they will be closely connected with each other. No beating of our swords into plowshares and our spears into pruning hooks, no abiding confidence in the permanency of world peace should prevent us from always realizing that our security de-

mands that we have and retain such bases available at all times for our defense in war and for our commerce in the seven seas during peaceful days.

With unprecedented success we have under the resourceful, wise, and brilliant leadership of Admiral Land created and operated a merchant marine adequate and indispensable which will continue to serve us well. We need it and we must keep it now and also while the years come and go. This is our objective. This is our gleaming goal.

Admiral Land has fought the good fight. He fully deserves the promotion which we are now giving him.

The ACTING PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill (H. R. 634) was ordered to a third reading, read the third time, and passed.

Mr. AIKEN. Mr. President, I understand that during the noise and confusion which existed in the Chamber, the Chair announced that the bill was passed. I shall not move to reconsider that decision of the Chair, but I do want to make a few brief observations which I think are just as apropos after the passage of the bill as they would have been before.

Mr. President, many times I have called the attention of this Senate to acts of the Maritime Commission which I believed should have the attention of this body. I have believed that a thorough investigation of Maritime Commission affairs would have a healthy effect, not only upon this Commission but upon other commissions and agencies of the Government which have shown a tendency to stray too far from the straight and narrow path of good governmental operations and legislative authorizations.

I do not now and have not previously addressed my remarks to any individual official as a person. I do not believe in legislating for the individual, but for the office. If remarks which I have made from time to time seem to bear heavily upon any one person, it is because he happens to be occupying the office which should be held responsible for the acts of his commission or agency.

I have repeatedly called attention of this body to acts of the Maritime Commission because it is the acts of that Commission about which facts have been furnished me, principally by the General Accounting Office.

The General Accounting Office has frequently called the attention of this body to certain activities of the Maritime Commission which it considered to be either wasteful or outside the provisions of the law. Let me give three illustrations of such reports.

On June 10, 1942, the Comptroller General transmitted to the Congress "A report of irregularities in the construction by the United States Maritime Commission of certain vessels under contracts with the Tampa Shipbuilding & Engineering Co. and in the sale thereof to the Navy Department."

In this report the Comptroller General cites manipulations by the United States Maritime Commission whereby

the Tampa Shipbuilding Co. was financed through the sale of hulls of several ships to the Navy at a price of \$1,926,563.52 more than their value and paid for with Navy funds unauthorized for that purpose. I ask leave to insert the itemized charges of the General Accounting Office at this point.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, June 10, 1942.

The PRESIDENT OF THE SENATE.

MY DEAR MR. PRESIDENT: There is submitted herewith report of investigation by representatives of this Office of the contracts and other records of the United States Maritime Commission, the Navy Department, and the Tampa Shipbuilding & Engineering Co., and its successor, the Tampa Shipbuilding Co., Inc., relative to the partial construction of seven vessels by the said companies under contracts with the United States Maritime Commission and the sale of said vessels to the Navy Department prior to completion.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

REPORT OF IRREGULARITIES (1) IN THE CONSTRUCTION BY THE UNITED STATES MARITIME COMMISSION OF CERTAIN VESSELS UNDER CONTRACTS WITH THE TAMPA SHIPBUILDING & ENGINEERING CO. AND (2) IN THE SALE THEREOF TO THE NAVY DEPARTMENT

As a result of examination by the General Accounting Office of contracts and other records of the Tampa Shipbuilding & Engineering Co. (hereinafter referred to as the "old company"), Tampa Shipbuilding Co., Inc. (successor to Tampa Shipbuilding & Engineering Co., hereinafter referred to as the "new company"), Reconstruction Finance Corporation (hereinafter referred to as "R. F. C."), the Navy Department, and the United States Maritime Commission (hereinafter referred to as the "Commission"), certain matters were disclosed which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26).

The apparent irregularities disclosed are summarized briefly, as follows:

(1) On November 14, 1940, the Commission and the new company purport to have sold to the Navy Department three uncompleted vessels, designated as hulls 34, 35, and 36, at prices aggregating \$1,129,407.78 in excess of the adjusted lump-sum contract prices for the completion of said vessels;

(2) On April 16, 1941, the Commission and the new company also accomplished, in effect, a sale to the Navy Department of the new company's contracts with the Commission for the construction of, and materials on hand for, four other vessels, designated as hulls 37, 38, 39, and 40, at prices aggregating \$797,160.74 in excess of the value thereof based on the adjusted lump-sum contract prices and the stated percentages of completion;

(3) In effecting each of said sales, the Commission indulged fictional or pretended sales to the new company, apparently organized for that purpose, and said new company, in the instance of each sale, consummated a contemporaneous sale which had been previously arranged by the Commission of the respective hulls to the Navy Department, notwithstanding the fact that title to such hulls, as well as the materials on hand, was vested in the Commission under existing contracts;

(4) At the time of the reorganization (November 14, 1940) the records reflected the net worth of the old company to have been

\$47,012.36, whereas the same assets (after recordation of the sale of hulls 34 to 36 to the Navy Department, plus \$500 paid for the stock of the new company) and liabilities were recorded on the books of the new company so as to reflect a net worth of \$2,037,561.48;

(5) The net worth of the new company is represented by 10,000 shares of no-par-value stock owned by George B. Howell, president of said new company, for which he paid only \$500;

(6) During the period May 21, 1938, to April 16, 1941, the R. F. C. loaned and advanced to the old company and the new company large sums of money for operating capital and plant improvements, during which period the Commission, at the demand of the R. F. C., guaranteed the debt of the companies to the R. F. C. to the extent of more than \$300,000, without lawful authority;

(7) Simultaneously with the acquisitions by the Navy Department, as aforesaid, and the payment by it of the considerations therefor, the Navy Department entered into cost-plus-fixed-fees contracts with the new company for the conversion and completion of the hulls so acquired, and, with the funds paid to said new company by the Navy Department, said company's direct indebtedness to the R. F. C. was paid; the Commission received the return of progress payments made by it on account of the construction of said hulls to the dates of their acquisitions by the Navy Department, and the companies' indebtedness to two Tampa banks (Exchange National Bank and First National Bank) were paid in full;

(8) The acquisitions by the Navy Department were designed to redeem, and had the effect of redeeming, the old company from its then insolvent condition, and of redeeming the investments of the Commission, the two Tampa banks, and the R. F. C. through unauthorized expenditures of funds appropriated to the Navy Department;

(9) The only changes effected by the so-called reorganization through the organization of the new company were the restoration of the capital structure through the donation of approximately \$2,000,000 appropriated moneys, and stock ownership and control for which only \$500 was paid by George B. Howell, president of said new company;

(10) Expenses incident to launching vessels, including transportation, hotel expenses, gifts for sponsors, etc., aggregating \$4,072.22, were, in effect, paid from public funds under the so-called reorganization plan;

(11) The Commission entered into a contract with the new company for the shifting of hull 34 from Tampa, Fla., to Mobile, Ala., after the transfer to, and acceptance of, said hull by the Navy Department;

(12) The Commission failed to determine the amount of any excess profits for recapture as required by law; and

(13) The use of funds from the Navy Department appropriation, "17X0604. Alterations to naval vessels," for the acquisition of hulls, the keels of some of which had only recently been laid, was unauthorized.

Mr. AIKEN. Mr. President, the House Committee on the Merchant Marine and Fisheries heard witnesses on this case. The Senate took no action.

On August 21, 1942, the Comptroller General reported to the Congress that on June 8, 1940, the United States Maritime Commission had sold to the Waterman Steamship Corporation, of Mobile, Ala., five old ships at an average price of \$13.76 per dead-weight ton with the option to repurchase said vessels at such price and a few months later, instead of exercising that option, had purchased five older vessels from the same company for prices

averaging \$75 per dead-weight ton, or between five and six times as much as it had sold better vessels to this company for.

I wish to say that subsequently this option to repurchase was exercised, I think after the war had begun, though I am not sure of the date, but I have yet to learn that any adjustment was ever made in the price paid for the older vessels, which, according to the Comptroller General's report to the Congress, profited the Waterman Steamship Corporation \$1,995,502.68 more than this corporation would have realized had the Maritime Commission requisitioned these ships in accordance with the provisions of the law. I ask leave to insert the itemized charges of the General Accounting Office concerning the Waterman Co.'s dealing with the Maritime Commission at this point.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

LETTERS FROM THE COMPTROLLER GENERAL OF THE UNITED STATES TRANSMITTING A REPORT OF INVESTIGATION BY REPRESENTATIVES OF THE COMPTROLLER GENERAL'S OFFICE OF THE CONTRACTS AND OTHER RECORDS OF THE UNITED STATES MARITIME COMMISSION

GENERAL ACCOUNTING OFFICE,

Washington, August 21, 1942.

The SPEAKER, HOUSE OF REPRESENTATIVES.

MY DEAR MR. SPEAKER: There is submitted herewith report of investigation by representatives of this Office of the contracts and other records of the United States Maritime Commission relating, among other things, to the sale by the Commission under sales agreement dated June 8, 1940, of five vessels from the Commission's laid-up fleet to the Waterman Steamship Corporation for the aggregate price of \$596,000 (43,316 dead-weight tons), with an option to the Commission to repurchase the same vessels at said aggregate price, plus improvements made thereon by the corporation, less reasonable depreciation, and the subsequent purchase by the Commission from the corporation of five other and older vessels for an aggregate price of \$3,374,700 (43,965 dead-weight tons), instead of exercising the option to repurchase the vessels sold under said agreement of June 8, 1940.

Sincerely yours,

LINDSAY C. WARREN,

Comptroller General of the United States.

GENERAL ACCOUNTING OFFICE,

Washington, August 8, 1942.

REPORT OF THE SALE BY THE UNITED STATES MARITIME COMMISSION TO WATERMAN STEAMSHIP CORPORATION OF FIVE OBSOLETE VESSELS FROM THE COMMISSION'S LAID-UP FLEET, WITH OPTION TO REPURCHASE SAID VESSELS, AND THE SUBSEQUENT PURCHASE FROM SAID CORPORATION OF FIVE OTHER SIMILAR AND OLDER VESSELS AT GREATLY ENHANCED PRICES, INSTEAD OF EXERCISING SAID OPTION

Examination by representatives of the General Accounting Office of the records of the United States Maritime Commission brings out certain matters which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26), and which involve apparent irregularities, summarized as follows:

1. On June 8, 1940, the United States Maritime Commission (hereinafter called the "Commission") made and entered into an agreement in writing with the Waterman Steamship Corporation, of Mobile Ala. (hereinafter called the "corporation"), by which

the Commission sold to the corporation five obsolete vessels from the Commission's laid-up fleet at and for the aggregate price of \$596,000 (or an average price of \$13.76 per dead-weight ton), with the right, at the Commission's option, to repurchase said vessels at such price, plus improvements made thereon by the corporation, less depreciation, as hereinafter shown.

2. In connection with, and as part of the consideration for, the sale of June 8, 1940, the corporation obligated itself to construct, or cause to be constructed, four new vessels to be added to the American merchant fleet, and thereafter, by an agreement dated on or about November 6, 1940, the corporation undertook the construction of four new vessels by and through its wholly owned subsidiary, the Gulf Shipbuilding Corporation, such construction to be entirely at the corporation's expense and without aid by the Commission under the Merchant Marine Act, 1936, as amended.

3. In late 1941 and early 1942 the Commission purchased from the corporation five other and older vessels at and for prices aggregating \$3,374,700 (or an average of \$75 a dead-weight ton), instead of exercising said option to repurchase the vessels sold under the agreement of June 8, 1940, and paid said aggregate price to the corporation.

4. In purchasing the five vessels from the corporation as aforesaid, instead of exercising the option to repurchase the vessels sold under the written agreement of June 8, 1940, the Commission laid out and expended the sum of \$1,995,502.68 more than it should and would have expended had it exercised said option, without regard to reasonable depreciation of the vessels sold under said written agreement, as will more fully and clearly hereinafter appear.

5. The purchase of said vessels by the Commission from the corporation was consummated and the full purchase price of \$3,374,700 was paid directly to the corporation, after it, on October 25, 1941, had applied in writing to the Commission under section 510, Merchant Marine Act, 1936, as amended, to trade in certain obsolete vessels (including some of those purchased from the corporation as aforesaid), and for a credit of the value thereof to be applied against the promised construction of eight new vessels to be added to the American merchant fleet, which application was never acted upon by the Commission.

6. The five obsolete vessels were purchased by the Commission from the corporation as aforesaid without the formality of a written agreement stating the terms and conditions of the sale, and the transaction was closed by the execution, delivery, and recording of bills of sale for the vessels, each of which instruments recited only a nominal consideration of \$10.

7. After said five vessels had been purchased from the corporation as aforesaid (following said application under sec. 510, Merchant Marine Act, 1936, as amended, which was not acted upon by the Commission), and after the purchase price thereof had been paid to the corporation, the corporation attempted to establish a construction reserve fund under the provisions of section 511, Merchant Marine Act, 1936, as amended, in such manner as to enable the corporation to avoid or defer the payment of income tax on the gain or profit of, to wit, \$1,995,502.68, realized by it through the sale of said five vessels to the Commission in late 1941 and early 1942, on the theory and apparent promise that said fund would be used in the construction of new vessels for addition to the American merchant marine, but a dispute has arisen between the Commission and the corporation as to the way and manner in which said so-called construction reserve fund shall be used and applied, which dispute is now pending before and is undetermined by the Commission, and which dis-

pute is now under consideration by Commissioner John M. Carmody with a view to a report by him thereon to the Commission.

8. It is claimed on behalf of the Commission that the five vessels acquired from the corporation in late 1941 and early 1942 were purchased pursuant to the proclamation of the national emergency by the President on May 27, 1941, and under the provisions of the act of June 6, 1941 (55 Stat. 242), *infra*, which act provides that vessels may be purchased for the emergency at such prices as the Commission "may deem fair and reasonable and in the public interest"; but that act contains no provision for the trade-in of, and the allowance of credit for, obsolete vessels against new vessels to be constructed as provided in sections 510 and 511, Merchant Marine Act, 1936, as amended, as hereinafter shown.

Mr. AIKEN. Mr. President, the House committee held hearings on this case. Majority and minority reports were made. The Senate took no action.

On June 19, 1943, the Comptroller General reported to the Congress concerning matters pertaining to the Baltimore Mail Steamship Co., wherein the Comptroller General alleged that on October 24, 1940, the Maritime Commission purchased five vessels from this company for account of the Navy and paid \$2,188,257.87 in excess of the depreciated value of these ships. I ask leave to insert the itemized charges which the Comptroller General made in this case at this point in my remarks.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, June 19, 1943.

REPORT OF THE SALE BY THE UNITED STATES SHIPPING BOARD OF FIVE VESSELS TO THE BALTIMORE MAIL STEAMSHIP CO. AND THE SUBSEQUENT PURCHASE OF SAID FIVE VESSELS FROM SAID COMPANY BY THE UNITED STATES MARITIME COMMISSION FOR ACCOUNT OF THE NAVY DEPARTMENT

Examination by representatives of the General Accounting Office of the records of the United States Maritime Commission (hereinafter referred to as the "Commission") and the Navy Department (hereinafter referred to as the "Navy") brings out certain matters which are deemed proper for reporting to the Congress and are briefly summarized as follows:

1. The Government, acting through the United States Shipping Board, constructed five vessels in 1920 at a cost of \$12,897,210, which were sold in 1931 (when approximately 10 years old) to the Baltimore Mail Steamship Co. for \$30,000 each, or a total of \$150,000, and in addition, the United States Shipping Board loaned said company \$6,520,706.26 to recondition the said vessels.

2. The value of the vessels after reconditioning was \$9,145,309.99, as follows:

Purchase price.....	\$150,000.00
Construction loan by U. S. Shipping Board.....	6,520,706.26
Additional expenditures made by Baltimore Mail Steamship Co. for reconditioning.....	2,474,603.73
Total	9,145,309.99

3. The Baltimore Mail Steamship Co. operated the vessels for a period of approximately 9½ years, and it appears that the venture was a failure from its inception (despite the payment of subsidies of approximately \$7,500,000 during the period) due, in

part, to the enormous fees and commissions paid to holding and affiliated companies.

4. Although the company defaulted in its payments to the Government shortly after it began operations, the United States Shipping Board and its successor, the Commission, continually extended the notes until the indebtedness far exceeded the depreciated value of the vessels, which matter was reported to the Congress by the Comptroller General under date of March 3, 1938.

5. The records of the Commission show that as of June 30, 1939, the amount of \$2,333,106.26 of the construction loan indebtedness was considered "doubtful or uncollectible."

6. By contract of October 24, 1940, the Commission purchased the 5 vessels from the Baltimore Mail Steamship Co. for account of the Navy and paid therefor, from funds advanced by the Navy, \$7,100,000, which amount was applied as follows:

Construction loan notes secured by first-preferred mortgage held by the Commission	\$5,855,776.05
Accrued interest on construction loan notes.....	90,917.09
Paid to Baltimore National Bank for account of notes secured by second mortgage	1,153,306.86
Total	7,100,000.00

7. The depreciated value of the vessels at the time of acquisition by the Commission (November 1940) from the Baltimore Mail Steamship Co. was \$4,911,742.13 (value of the vessels after reconditioning \$9,145,309.99, less depreciation for approximately 9½ years amounting to \$4,233,567.86), and the payment of \$7,100,000 therefor by the Commission resulted in a payment of \$2,188,257.87, in excess of the depreciated value, as follows:

Amount paid from Navy funds.....	\$7,100,000.00
Value of vessels after reconditioning.....	9,145,309.99
Less depreciation.....	4,233,567.86
Total	4,912,742.13

Amount of payment in excess of the depreciated value..... 2,188,257.87

8. As a result of the transactions thus consummated, the Navy absorbed and paid depreciation charges of the Baltimore Mail Steamship Co. to the extent of \$2,188,257.87.

Mr. AIKEN. Mr. President, the House committee conducted hearings on this case and majority and minority reports were made. The Senate took no action.

I cite these three cases. They are three cases wherein the transactions complained of took place long before the outbreak of the war, and, therefore, cannot be excused on the ground that waste must be tolerated during wartime. There are many other cases in which facts have been presented by the Comptroller General's office either to the Congress or to individual Members of the Congress. I have reported much of this information to the Senate myself.

I would not say that the efforts of the Comptroller General to prevent illegal and wasteful expenditures by the Maritime Commission have been entirely fruitless.

It may be recalled that only about 2 years ago insurance valuations of \$100 per ton were being placed upon obsolete ships. Later this amount was cut to \$75

per ton. Still later it was reduced to \$65 per ton, and I understand that now the valuations have been reduced to between \$50 and \$60 per ton for insurance purposes.

I wish to give the Maritime Commission full credit for its part in bringing about this reduction, though it is undoubtedly true that the influence of the General Accounting Office played a part.

I am willing to say now that I think the Maritime Commission has tried during recent months to bring about other improvements. If I did not think an effort was being made, I would have opposed the passage of this bill today.

I do not believe that the Maritime Commission is the only Government agency which should have the attention of the Congress, and I certainly do not absolve the Congress from all blame for conditions which we know prevail in many departments of government.

The General Accounting Office is the agency of Government responsible solely to the Congress. As I understand, its functions are to guard against illegal and wasteful expenditures of public funds and to report such matters to the Congress when they occur. The Comptroller General's office is our investigating committee, yet when it makes reports to the Congress, the Senate takes no action whatever to correct the evils reported.

If the reports of the Comptroller General are to be credited, action should be taken to correct the conditions which are complained of. If the Comptroller General's reports cannot be credited, then it is plain that that office should have a housecleaning.

How can we expect the agency of government that is directed to guard our national expenditures to do good work when Congress pays little attention to its reports? How can we expect the head of a commission or a department to exercise his full powers of resistance against profiteering contractors, if we permit profiteering on the Government to become a custom?

I am making these observations today not primarily for the purpose of castigating the Maritime Commission or its Chairman, but for the purpose of urging upon the Congress the necessity for putting Government agencies on a sound basis at the earliest possible moment, and to urge upon Congress that all agencies of government be required to submit to auditing by the General Accounting Office. Certainly no man could permit his own business to be run as some agencies of government are run and expect to remain in business. The Government of the United States is the business of all of us.

Some day, when the war is over, the people of America will demand an accounting on the stewardship of both the executive department and the legislative branch of government. I fear they will look back with amazement and indignation upon the action of this body, which, instead of undertaking to correct some of the evils of the Maritime Commission, which have been repeatedly called to its attention by the Comptroller General, rewards the Chairman of

the Commission against whom official charges have been made, by promoting him, without any investigation, to a higher rank.

We cannot escape the responsibility which the country has placed upon us. If we do not perform our duty, we should not escape the consequences.

Mr. WALSH of New Jersey. Mr. President, as a freshman Senator, I realize that I should probably hide under my desk and avoid being seen, much less heard, especially when important matters are before this great body. However, there is a veteran Senator WALSH in the Senate, the distinguished chairman of the Committee on Naval Affairs, and he has asked me to inform the Senate that he was forced to leave Washington last night because of the critical illness of a member of his family, and thus is prevented from lending his voice and casting his vote in the interest of a man for whom he has the utmost admiration, Admiral Land.

My own knowledge of and admiration for Admiral Land, Mr. President, have not been acquired since I had the honor of coming to the Senate. My close association with Charles Edison, when he was Acting Secretary and subsequently Secretary of the Navy, gave me an intimate picture of the outstanding ability and other notable qualities of Admiral Land, first as a leading naval officer and later as the head of the Maritime Commission. Secretary Edison admired Admiral Land unqualifiedly, and has been earnestly hoping, as have thousands of other loyal supporters of Admiral Land throughout the Nation, that the admiral would receive today recognition by advancement to the rank of vice admiral, a tribute so long delayed.

It has been said that Admiral Land at times has been extravagant. Well, Mr. President, I do not know whether Admiral Land and his associates could have produced ships at a lower cost. Neither do I know whether we could or could not be conducting this war at a lower cost. But why pick on Admiral Land? When the history of this unprecedented world conflict is written, I doubt if any one of our wartime leaders will be acclaimed by posterity because of his ability as a penny pincher. Thank God that at a time of grave crisis Admiral Land was not a worshiper of accounting procedure. He destroyed some red tape, but he built ships.

Mr. President, if there is still doubt in anyone's mind as to the background, experience, or ability of Admiral Land, let him turn to the letters and reports placed in the body of the CONGRESSIONAL RECORD yesterday by the eminent Senator from Massachusetts [Mr. WALSH].

Admiral Land has done a phenomenal job. As one example, Mr. President, let it be remembered that under his superb leadership this country turned out a tonnage of new ships in 1 year equal to the entire tonnage of the British Empire prior to the Second World War. We are winning this war largely because of the work of Admiral Land. His executive direction of his gigantic job has been brilliant and he has worked indefatigably. Yes, Mr. President, it is the accom-

plishments of men such as Admiral Land that make Adolf Hitler realize that he should have continued hanging paper instead of people.

I hope the Members of the Senate will not consider it presumptuous for the junior Senator from New Jersey, a raw freshman, to violate the unwritten protocol by speaking out so freely. But, Mr. President, with all the enthusiasm that I possess I felt that I had to come to the Senate today to appeal to the distinguished Senator from Vermont and to the other eminent Members of the Senate to give to Admiral Land today the recognition which almost everyone in America will agree he has earned and richly deserves.

I thank the distinguished Senator from Vermont [Mr. AIKEN] for not objecting to the passage of the bill today.

Mr. GERRY. Mr. President, I wish to join with the other Senators who have already expressed their gratification at the promotion of Admiral Land to be vice admiral. The magnificent work Admiral Land has been performing for our merchant marine, his efficiency, his business ability, hard common sense, and fighting qualities have been outstanding, and have created admiration among those of us who are his friends and who have always appreciated his ability.

It seems to me that Admiral Land is a typical personification of what Annapolis can do in shaping a man into an efficient public servant, not only for the Navy but even when he gets into important business positions. We have seen how efficient these Navy men are and can become.

I merely wanted to say these few words as coming from one who knows the admiral, and who likes him and admires him. I desired to add my word of satisfaction at his promotion, and to say that I think not only the admiral is to be congratulated but the Senate and the country are as well to be congratulated on this recognition of an efficient and able public servant who is doing a great job.

Mr. MCKELLAR. Mr. President, I should like to endorse what the senior Senator from Rhode Island has said about Admiral Land. The admiral is most efficient, one of the best and certainly one of the most active administrators to be found in the departments of the Government. He is thoroughly honest, outspoken, and upright, a splendid figure, and I am delighted that the honor which we have bestowed has come to him. I certainly wish him continued success in all his undertakings, and I am very happy that I voted for the bill.

Mr. BARKLEY. Mr. President, I wish to associate myself with the expressions which have been heard here about Admiral Land. As we all know, Admiral Land was called back to service in effect as a result of the emergency in which our country finds itself. Outside of the obligation of patriotism, and the moral obligation which everyone owes to his country, there was no compulsion on Admiral Land to accept this assignment.

The Admiral has done an outstanding job. Starting from almost zero, he has built up a merchant marine, and the facilities for the building of a merchant

marine and for the maintenance of a merchant marine, which will, long after the war is over, reflect great credit upon the ingenuity of our people not only in a war, but their ingenuity in using the facilities war has made necessary in the extension of our trade and the cooperative effort our country undoubtedly will put forth with other nations of the earth to restore normal commerce on the high seas among the nations.

I feel personally very fond of Admiral Land and his family, and it is a happy consummation now that we see his work and his talents and his devotion recognized by this promotion. While it has been delayed somewhat, which no doubt has caused some of the admiral's friends to feel that we were not as prompt as we might have been in the recognition of his talents, I think that on the whole probably it is better that it should have happened that way than that the promotion should have been rushed through at the time it was first suggested. I am very glad of the outcome, and I congratulate the country and Admiral Land.

REPLY TO SENATOR GUFFEY'S STATEMENT CONCERNING SENATOR BAILEY

Mr. BYRD. Mr. President, I wish to make a very brief reference to an incident which occurred today on the floor of the Senate. I have been a Member of the Senate for 12 years. I have never before heard a more vindictive, and, I think, untruthful attack made upon a Senator who was absent as was made today. I have reference to the remarks made by the Senator from Pennsylvania [Mr. GUFFEY] making a personal attack upon the Senator from North Carolina [Mr. BAILEY].

Mr. President, I wish to say that the Senator from North Carolina has been absent from the floor of the Senate for some weeks because of the necessity of an operation. The Senator from Pennsylvania knew that the Senator from North Carolina was not here today when he made this attack upon him. He knew that the Senator from North Carolina had not been here for some weeks. Yet notwithstanding that fact he selected this day, when the Senator from North Carolina was absent from the floor of the Senate on account of illness, to make this contemptible and unwarranted attack upon him.

I wish to say, Mr. President, that there is nothing I could say that would add to the stature of Senator BAILEY, of North Carolina. He is one of the outstanding Members of this body. He is one of the greatest lawyers in all America. He is a great American, for whom everyone has a profound respect. There is nothing that the Senator from Pennsylvania could say which would detract one iota from the high stature of Senator BAILEY or from the great admiration which the people of the whole country have for this very distinguished southern Senator.

I rise primarily for the purpose of pointing out that this attack was made upon a Senator when he was ill. It was made upon him when he was unable to be present, so that he could not make reply. It was made in relation to certain remarks made on the floor of the

Senate by the Senator from North Carolina, not directed primarily at the Senator from Pennsylvania. The remarks were made weeks ago, and there was ample opportunity for the Senator from Pennsylvania to have made reply to the Senator from North Carolina while he was in the Senate.

I wish to say this in conclusion—it may not be parliamentary, but I wish to say it: It is said that the Senator from Pennsylvania has the political hide of a rhinoceros; but when JOSIAH BAILEY gets through with him, he will hang that hide upon the wall of the Senate; and I hope all the Members of the Senate will be present to listen, because it will be a rare exhibition.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CHAVEZ. I do not wish to take part in the difficulties between the Senator from Pennsylvania and the Senator from North Carolina. I know that the Senator from North Carolina can take care of himself. The letter from some person in North Carolina which was read by the Senator from Pennsylvania, indicated to me that when the real test comes as to who should be regarded as a Democrat, the Senator from North Carolina can meet it. In 1928 JOSIAH BAILEY, of North Carolina, stuck to Al Smith, and that is more than can be said for the writer of the letter which was read.

Mr. GUFFEY entered the Chamber.

Mr. BYRD. I see that the Senator from Pennsylvania has returned to the Chamber. I wish to say in his presence that we southerners do not appreciate being lectured by the Senator from Pennsylvania. We intend to work out our own problems in the South in our own way without his dictation. We intend to work out our own relations with the Democratic Party in our own way. If the Senator from Pennsylvania is seeking to create disunity and destroy the Democratic Party in the South, he could do nothing more effective than his exhibition here today and his consistent abuse of southern representatives.

The Senator from Pennsylvania has the habit of attacking other Senators and then leaving the Chamber; but so long as he is now present, I wish to repeat in his presence that he made a cowardly attack today on an absent Senator who was not on the floor because of illness. He made statements which in my opinion are not in accordance with the facts. I hope the Senator from Pennsylvania will be in his seat when the Senator from North Carolina returns and makes reply to the charges which were made in his absence, at a time he was lying on a sick bed at his home in North Carolina.

Mr. President, I wish to refer to another subject—

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GUFFEY. I shall be glad to be present when the Senator from North Carolina answers the charges. They were not my charges. The letter which

I read contained charges by a distinguished member of the bar of the State of North Carolina. Philip Murray and Sidney Hillman were charged by the Senator from North Carolina with being Communists. I think he is mistaken about those two men. I read the letter because the writer asked me to read it.

Mr. BYRD. If we are to read on the floor of the Senate charges made about Senators by others, I can read charges which have come to me about the Senator from Pennsylvania. I have a great stack of charges and true facts about him. I have letters about him from Pennsylvania and elsewhere. If he wishes to adopt the policy of reading in the Senate letters from others attacking the integrity and character of Senators, others can play that game as well as he can.

Mr. GUFFEY. Mr. President, let me say to the Senator from Virginia that I have never run away from any charges filed against me. I do not intend to run away next week, next month, or next year. I will face whatever charges the Senator wishes to make, or whatever charges the Senator from North Carolina wishes to make.

Mr. BYRD. The Senator will have an opportunity to demonstrate whether or not that is correct and the statements to be made will be based on facts and not rumors.

Mr. GUFFEY. I shall be very glad to be present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 784) to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1432) to extend the Civilian Pilot Training Act of 1939.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 4033. An act relating to the use of the penalty mail privilege; and

H. R. 4215. An act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 702. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes;

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes; and

H. R. 4405. An act to amend the act approved March 7, 1942 (56 Stat. 143), as

amended (56 Stat. 1092; 50 App. U. S. C. Supp. III, 1001-1017 inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior;

S. 1593. An act for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1669. An act to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets;

S. 1718. An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1748. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, to continue it in effect;

H. R. 4183. An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes;

H. R. 4204. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes;

H. R. 4292. An act to amend section 12 (b) of the act of May 29, 1930, as amended;

H. R. 4414. An act making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes; and

H. R. 4679. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, on behalf of the Joint Committee on Reduction of Nonesential Federal Expenditures, I present the regular monthly report on civil-service employees. I ask unanimous consent that it be printed in the body of the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, the report will be printed in the RECORD at the conclusion of the Senator's remarks.

(See exhibit A.)

Mr. BYRD. The total number of paid civilian employees as of April 1944, is 3,305,460, including 288,563 civilian employees of the War Department stationed outside the continental United States as of December 31, 1943. For the purpose of comparison, I will exclude civilian employees of the War Department stationed outside the continental United States. This leaves 3,016,897 civilian employees of the various departments of the Government, in accordance with direct reports made to the Joint Economy Committee by the various agencies of the

Government. I want to say that reconciliation with the Civil Service reports is not possible because these reports do not include the following: Persons on terminal leave, W. O. C. employees, and persons on leave without pay for a full month. The committee includes these employees because these persons are actually on the pay roll.

There has been a steady increase in the number of civil-service employees for the past 4 months. In January, there was a net increase of 8,951; in February, a net increase of 5,237; in March, a net increase of 13,986; and in April, as shown by the report just submitted, an increase of 19,445, making a total increase in the past 4 months of 47,619.

It should be understood that these figures do not include a single man in uniform doing clerical work, nor do they include any of the thousands of WAVES, WACS, SPARS, and so forth, who are performing clerical work.

The report just submitted shows that 30 departments and agencies, many not directly engaged in war work, have increased the number of their employees by 23,135 during the month of April, while 29 departments and agencies eliminated a total of only 3,690, making a net increase for this month of 19,445.

The report shows the increase and decrease in each agency of the Government. The Department of Agriculture, for example, now has 82,071, an increase of 2,056 for the month of April over March. In addition, the Agriculture Department has nearly 75,000 part-time employees who are not included in these figures.

The Treasury Department, in April, had 92,093, an increase of 1,723 over the previous month. The Office of War Information had 7,201, an increase of 668 over the previous month. The War Manpower Commission had 26,075, an increase of 229 over the previous month. The Office of Price Administration had 59,015, an increase of 1,173 over the previous month. The Federal Security Agency had 30,978, an increase of 98 over the previous month. The Federal Works Agency had 20,593, an increase of 199 over the previous month.

It is true that, in the period between July 1, 1943, and January 1, 1944, a reduction was made in the civilian personnel of the War Department, which has been much publicized, but an investigation, which has not yet been completed because of inability to obtain accurate information, will indicate, I am certain, that much of this reduction can be accounted for by the substitution of men and women in uniform who are doing the same work that was previously done by these civilian employees.

On June 18, 1943, the Joint Committee on Reduction of Nonessential Federal Expenditures, after a careful investigation and public hearings, recommended in a detailed report that an immediate reduction in the civilian personnel of the Federal Government could be effected, to the extent of at least 300,000 employees.

On November 22, 1943, an additional report was made indicating the methods

that could be used to effect these reductions. On April 30, 1943, a year ago, there were employed under civil service in the executive branch 3,003,539, while the present employment, inclusive of the 288,563 civilians working abroad, is 3,305,460.

Mr. President, there is not a single agency of the Government that is not grossly overmanned in its civilian personnel doing clerical work. This applies to the Army and the Navy, as well as to all other branches of the Government, both at Washington and in the bureaus located in every section of the country.

With the Secretaries of War and Navy and the Chairman of the Maritime Commission advocating a national service law, with the induction into the armed services of pre-Pearl Harbor fathers and agricultural workers, it is an outstanding fact that the United States Government has signally failed to efficiently utilize the great reservoir of manpower represented in the more than 3,000,000 civil-service employees in this country.

Time and time again, on the floor of the Senate and elsewhere, I have called attention to the appalling waste of manpower in the Government service.

On September 18, 1943, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I wrote to the War Manpower Commissioner with respect to the reduction of Federal personnel, and asked this question:

To what extent have you investigated the various Government departments so as to utilize in the fullest measure available manpower in a manner most efficient to promote the war effort?

On October 2, 1943, the War Manpower Commissioner replied as follows:

In the field of maximum utilization of manpower in the Federal service, I rely upon the United States Civil Service Commission. The Commission will be glad to give you full details as to their work and achievements in this field.

That was 6 months ago and, as yet, no satisfactory reason has been given by either the War Manpower Commission or the Civil Service Commission as to why the necessary steps were not taken long ago to reduce the overmanned agencies of the Government, both at Washington and throughout the country. We have been at war now for a little more than 2½ years. We have mobilized our resources, both in matériel and manpower, in private employment, but the facts stand out that no real or sincere effort has been made to eliminate useless Federal employees so that every unnecessary employee can be transferred to some essential activity and those within the draft age inducted into the armed services.

Even a cursory investigation of the bureaus at Washington and the thousands of bureaus scattered throughout the country, in every State in the Union, shows that a substantial reduction in Government personnel could be made without any impairment whatsoever to the public service or any interference with the war. In fact, I am firmly con-

vinced that such reduction would increase efficiency. It follows that it would save the taxpayers large sums of money.

In response to my letter of September 18, the War Manpower Commissioner replied that he had delegated this work to the Civil Service Commission. This Commission has failed to act effectively, and now it appears that we are faced with a constantly increasing pay roll in the civilian branches of the Federal service.

During the desperate war crisis, I think failure to perform this very vital responsibility to the people of America in utilizing in the fullest and most effective measure the Government personnel is little short of a national shame. The 3,000,000 civil-service employment is the greatest single reservoir of manpower now existing.

I am convinced that today the United States Government itself is the chief hoarder of manpower by reason of the continuance on governmental pay rolls of many thousands of employees not needed. It is true that about 50 percent of the 3,000,000 civil-service employees in this country, as shown by the itemized statement presented to Congress by the Joint Economy Committee, are directly engaged in mechanical war production, but it is likewise true that thousands and thousands of men and women in uniform who are performing clerical duties, are not included in the number of civil-service employees.

Why should not the Federal Government make the same sacrifices in the supervision of its own personnel that our Government is requiring of every citizen? It is, of course, very obvious during the emergency that in the constantly changing governmental structure it is difficult for Congress to determine exactly how many employees should be engaged in each bureau, especially by reason of the power the Executive has of making transfers of personnel from one bureau to another.

Some definite and effective action must be taken in the public interest. It has already been delayed too long in the expectation that the officials of the Government would perform this duty as a part of war mobilization.

I am today introducing a resolution providing for a reduction of 300,000 employees in the service of the Federal Government. This resolution will save the taxpayers at least \$700,000,000 annually, and will release for other vital work those not needed.

It is grossly unfair to the millions of citizens who are subject to governmental direction, both in the enlistment of their personnel in the armed service and the utilization of their employees for the best interests of the country in this emergency, to have a different standard of dealing with the employees in the Federal service.

If action is not taken sooner by the administration under the power it now has, upon the reconvening of Congress I will ask the Civil Service Committee to hold hearings on this resolution, and will press for an early report to Congress

with recommendations by the committee as to mandatory reductions in the Federal personnel.

EXHIBIT A.—Civilian employment of the executive branch of the Federal Government by departments and agencies for months of March and April 1944, showing increases and decreases in number of paid employees

Department or agency	April 1944	March 1944	Increase	Decrease
EXECUTIVE OFFICE OF THE PRESIDENT				
Bureau of the Budget..	148	155	-----	7
DEPARTMENTS				
State Department.....	8,545	8,533	12	-----
Treasury Department.....	92,093	90,370	1,723	-----
War Department ¹	1,225,590	1,214,655	10,935	-----
Justice Department.....	29,201	29,518	-----	317
Post Office Department.....	352,476	349,237	3,239	-----
Navy Department ²	736,797	735,977	820	-----
Interior Department ³	40,762	40,078	684	-----
Agriculture Department.....	82,071	80,015	2,056	-----
Commerce Department ⁴	29,270	29,435	-----	165
Labor Department.....	6,114	6,031	83	-----
NATIONAL WAR AGENCIES				
Committee on Fair Employment Practice.....	113	119	-----	6
Division of Central Administrative Service.....	4,044	4,111	-----	67
Foreign Economic Administration.....	5,638	5,942	-----	604
National War Labor Board.....	3,711	3,972	-----	261
Office of Alien Property Custodian.....	194	924	-----	30
Office of Civilian Defense.....	684	730	-----	46
Office of Coordinator of Inter-American Affairs.....	1,375	1,377	-----	2
Office of Defense Transportation.....	5,141	5,083	58	-----
Office of Economic Stabilization.....	11	10	1	-----
Office of Scientific Research and Development.....	1,161	1,214	-----	23
Office of War Information.....	7,201	6,533	668	-----
Office of War Mobilization.....	36	23	13	-----
Smaller War Plants Corporation.....	1,746	1,762	-----	16
War Manpower Commission.....	26,075	25,846	229	-----
War Production Board.....	16,993	17,183	-----	190
War Shipping Administration.....	5,037	4,973	64	-----
Office of Censorship.....	12,077	12,297	-----	220
Office of Price Administration.....	59,015	57,842	1,173	-----
Office of Strategic Services.....	1,857	1,793	64	-----
Petroleum Administration for War.....	1,308	1,334	-----	26
Selective Service System.....	23,998	23,906	92	-----
INDEPENDENT ESTABLISHMENTS				
American Battle Monuments Commission.....	1	1	0	0
Board of Investigation and Research—Transportation.....	11	11	0	0
Civil Aeronautics Board.....	230	333	-----	3
Civil Service Commission.....	7,498	7,372	126	-----
Employees Compensation Commission.....	513	513	0	0
Export-Import Bank of Washington.....	60	60	0	0

¹ Does not include employees outside of the continental United States.

² Includes 10,324 employees of stations in the hands of the enemy.

³ Now includes War Relocation Authority.

⁴ Includes employees in Alaska with Civil Aeronautics Administration.

⁵ Also includes Training Within Industry and the U. S. Employment Service.

EXHIBIT A.—Civilian employment of the executive branch of the Federal Government by departments and agencies for months of March and April 1944, showing increases and decreases in number of paid employees—Continued

Department or agency	April 1944	March 1944	Increase	Decrease
INDEPENDENT ESTABLISHMENTS—continued				
Federal Communications Commission.....	2,140	2,175	-----	35
Federal Deposit Insurance Corporation.....	1,058	1,047	11	-----
Federal Power Commission.....	663	664	-----	1
Federal Security Agency.....	30,978	30,880	98	-----
Federal Trade Commission.....	454	458	-----	4
Federal Works Agency.....	20,563	20,394	169	-----
General Accounting Office.....	11,221	11,065	156	-----
Government Printing Office.....	7,434	7,529	-----	95
Interstate Commerce Department.....	2,159	2,156	3	-----
Maritime Commission.....	9,970	9,922	48	-----
National Advisory Committee for Aeronautics.....	5,508	5,360	148	-----
National Archives.....	357	354	3	-----
National Capital Housing Authority.....	257	252	5	-----
National Capital Park and Planning Commission.....	18	18	0	0
National Gallery of Art.....	260	264	-----	4
National Housing Agency.....	19,183	19,780	-----	597
National Labor Relations Board.....	679	681	-----	2
National Mediation Board.....	91	89	2	-----
Panama Canal.....	29,538	30,305	-----	767
Railroad Retirement Board.....	1,720	1,748	-----	28
Reconstruction Finance Corporation.....	7,592	7,574	18	-----
Securities and Exchange Commission.....	1,209	1,213	-----	4
Smithsonian Institution.....	418	426	-----	8
Tariff Commission.....	306	307	-----	1
Tax Court of the United States.....	123	123	0	0
Tennessee Valley Authority.....	21,800	22,261	-----	461
Veterans' Administration.....	50,803	50,369	434	-----
Total	3,016,897	2,997,452	23,135	3,600
War Department civilian employees stationed outside of continental United States, as of Dec. 31, 1943 ⁵	288,563	288,563	-----	-----
Grand total	3,305,460	3,286,015	-----	19,445
Net increase			19,445	

⁶ Also includes National Railway Labor Panel and National Railroad Adjustment Board.

⁷ Reported quarterly only. Latest date for which these have been reported.

NOTE.—Employment figures now reported to the Committee include dollar-per-annum employees and without-compensation employees of the consultant-expert type who are authorized to receive per diem in lieu of subsistence.

REDUCTION OF CIVILIAN PERSONNEL IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, I ask unanimous consent to introduce a joint resolution, and request that it be referred to the Committee on Civil Service.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and referred as requested by the Senator from Virginia.

The joint resolution (S. J. Res. 142) providing for a reduction of civilian personnel in the executive branch of the

Government, was read twice by its title, and referred to the Committee on Civil Service.

REPORT OF SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING (REPT. NO. 539, PT. 5)

Mr. GEORGE. Mr. President, from the Special Committee on Post-war Economic Policy and Planning, I submit a report relating particularly to the unemployment compensation systems. The conclusions reached by the committee have heretofore been communicated to the legislative committee concerned, to wit, the Committee on Military Affairs. But the committee now begs to submit this formal report. It contains the conclusions reached by the committee and the recommendations made, to wit:

That the employment compensation law be amended—

1. To provide for payments to Federal workers through the State unemployment agencies and under the State laws;

2. To guarantee the solvency of State unemployment compensation funds, through the setting up of a revolving loan fund, to make loans to the States at any time the compensation reserves of a State prove to be inadequate;

3. That the Unemployment Tax Act be amended, through legislation initiated in the House of Representatives, to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees.

If developments prove that the unemployment compensation system as now constituted is inadequate to take care of any situation that may arise in the future, steps can then be taken to supplement it, but the integrity of that system should be preserved unless any proposed change is demonstrated to be imperative.

Mr. President, I ask unanimous consent that the report of the committee be printed in the body of the RECORD, and be printed under the rule.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

POST-WAR ECONOMIC POLICY AND PLANNING—CHANGES IN THE UNEMPLOYMENT COMPENSATION SYSTEM

This committee has held extensive hearings on the subject matter of this report. Witnesses representing business and labor organizations and agriculture were heard. The unemployment-compensation directors of 16 States appeared before the committee.

The provisions of the bills now before the Senate dealing with the subject were carefully considered.

THE UNEMPLOYMENT-COMPENSATION SYSTEM

When Congress passed the Social Security Act in 1935 it was felt that some incentive from the Federal Government was necessary in order to have unemployment-compensation systems established by all the States. That incentive took the form of a credit of as much as 2.7 percent for payments employers made under State unemployment-compensation laws against the 3-percent unemployment-compensation tax on pay rolls imposed by the Federal Unemployment Tax Act. It was also felt that differing conditions in different sections of the country made it very unwise to attempt to set up a Federal system, or to compel uniformity in the systems through Federal legislation.

The employers in each State pay taxes into the unemployment-compensation fund. The taxes from each State are segregated and constitute a fund used solely for the purpose of paying unemployment compensation within that State.

The system has been functioning in all of the States for about 8 years. There has been no serious criticism of the administration of the State laws. So far as the committee can ascertain, they have worked satisfactorily and smoothly.

THE SOLVENCY OF THE STATE FUNDS

As of May 14, 1944, the States had to their credit in the Treasury of the United States unemployment compensation funds which aggregated well in excess of \$5,000,000,000. The present funds are sufficient to pay benefits, at the prevailing averages, for the maximum durations provided by various State laws, to 60 percent of all the covered workers now employed.¹ At the present time these funds are growing at the rate of more than \$1,000,000,000 a year and if the war should continue through 1945, they would reach a total of \$7,000,000,000. There seems little likelihood of these funds being exhausted, under existing law, unless unemployment reaches an unprecedented high over a long period.

BENEFITS UNDER STATE LAWS

The various State laws provide for unemployment-compensation payments of from 50 to 60 percent of regular wages, up to maximum payments ranging from \$15 to \$22 per week and for periods ranging from 14 to 24 weeks. Those benefits, both as to amount and duration, have been steadily increasing, under State enactments for the past 6 or 7 years, and there is every prospect that the trend toward improvement will continue. Furthermore, with wages at present increased by overtime payments, the average weekly benefits under unemployment compensation are rapidly approaching the maximum permitted payments in the various States. Steady employment now prevailing is also greatly increasing individual wage credits so that payments are approaching the maximum duration allowable.

By agreement the States have worked out provisions for pooling wage benefits so that a worker who moves from one State to another does not lose the benefits he has accumulated in the State of his previous residence. This makes the problem of migration of workers much less serious.

AMENDMENTS TO S. 1730 PROPOSED BY THE WAR CONTRACTS SUBCOMMITTEE OF THE MILITARY AFFAIRS COMMITTEE

The proposed amendments to S. 1730 provide for fixing the percentage of wages, the duration and the maximum benefits by Federal statute and compelling the States to meet those standards by withholding certification of State laws after December 31, 1945. This would have the effect of denying the 2.7 percent tax deduction within the States which did not meet such standards. The percentage, duration, and maximum are not specified in the latest draft of these proposals.

Under these proposals, employers of one or more would be brought within the tax provisions of the act and benefits extended to their employees.

Federal Government employees would be covered, to be paid through the State system, with reimbursement to the States of the amount of payments made.

A reinsurance fund would be set up to reimburse the States for payments made to Federal employees and to supplement State funds whenever they fell below the preceding year's collections in an amount equal to the compensation paid by it in excess of 2.7

percent of the total wages paid during a given quarter.

All administration would be through the State agencies.

S. 1893

This bill would set up a system of interim placement benefits administered by a work administrator. Those benefits would apply to ex-servicemen, Federal workers, maritime workers, agricultural workers, and employees covered by the Railroad Unemployment Insurance Act (a Military Affairs subcommittee print dated June 9, 1944, has eliminated agricultural labor).

It provides for payments to employees covered by the Railroad Unemployment Insurance Act through the Railroad Retirement Board and to the others through such agencies as the work administrator shall designate.

It also provides that if a State elects to administer interim placement benefits that they shall apply to all persons covered by the State unemployment compensation law, including, at the election of the State, employers of less than eight persons, employees of State and local government agencies, employees of nonprofit organizations, and domestic employees (a Military Affairs subcommittee print dated June 9, 1944, has omitted domestic employees).

If a State does not elect to administer the benefits, the provisions apply to everyone within that State who has earned not less than \$150 in employment covered by title II of the Social Security Act providing old-age and survivors insurance benefits, during the preceding 12 months.

If a State elects to administer benefits, it shall administer those covered by the Unemployment Compensation Act of the State and the work administrator may designate it to administer the benefits to others than railroad employees.

Broadly speaking, it covers anyone working for a livelihood.

The bill provides no limit to the number of weeks during which payment shall be made. It is to be effective 30 days from the date of its enactment and is to expire 24 months after the cessation of hostilities.

Payments are to be made to ex-servicemen at the rate of \$20 per week if the recipient has no dependents, \$25 a week if he has one dependent, \$30 a week if he has two dependents, or \$35 a week if he has three or more dependents.

In the case of a civilian, the maximum benefit shall be 80 percent of his earnings, but not exceeding the amount payable to an ex-serviceman in the same situation as to dependents.

S. 1767

This bill, which has just passed the Congress, provides unemployment-compensation benefits to veterans, regardless of the number of dependents they may have, of \$20 a week, for a period of 52 weeks, within the 2 years following their discharge.

THE ARGUMENT FOR LARGER BENEFITS

There was much testimony before this committee that the benefits provided under State laws are inadequate, both as to amount and duration. There was equally strong testimony that those benefits are adequate.

This conflicting testimony was based on divergent philosophies as to the purpose of unemployment compensation.

The argument in favor of larger benefits and longer duration stems from the theory that the United States owes an obligation of support, at higher than subsistence standards, to any one who is out of work. It is argued that the payment of such benefits would support the purchasing power of the Nation and tend to support the entire economy.

The argument that the present benefits are adequate proceeded on the theory that un-

employment compensation could and should provide the unemployed with a minimum standard of living during periods in which it was impossible to find work and that when those benefits began to approach, in amount, the wages that the recipient could earn, unemployment compensation defeated its purpose by encouraging idleness.

The proponents of more liberal benefits argue that the Government of the United States owes the same obligation of industrial rehabilitation to those who produced goods for war as it owes to the men in our armed forces.

It was contended that the profits of business had been underwritten by the carry-over and carry-back provisions of the internal revenue act. Those provisions merely permit the averaging of tax liability over a longer period than 1 year. They make no provision for a guaranty against loss.

It was also contended that the profits of the American farmer were underwritten. In 1943 the total net agricultural income was 8.3 percent of the total national income. Compensation of employees was 71.1 percent of the national income. The assistance given to agriculture by the Congress was a measure of protection against rising wages.

It was argued before this committee that S. 1718, providing methods for the termination of war contracts and the clearing of war plants, was designed to benefit the employer and was in fact a bonus to business; that as a corollary, the employees should have a similar bonus in the form of increased unemployment compensation. S. 1718 was designed and intended as much to help the employee as it was to help the employer. Until contracts are terminated and plants cleared, the employees of those plants are without work. Providing jobs was implicit in S. 1718. It gave to the employer absolutely nothing to which he was not entitled as a matter of right. It was designed to provide that quickly so that he could get back to producing goods and providing jobs but it gave him nothing else.

The unemployment compensation directors of 16 States from all sections of the country, testified before this committee. Without exception they insisted that the unemployment compensation provisions in their States were adequate and that the benefits struck a proper balance, in the opinion of their State legislatures, between providing adequate subsistence benefits, and at the same time making employment attractive. They pointed out the difficulties they encounter when unemployment benefits approach the amount obtainable through employment.

It should be borne in mind that when lay-offs come, most benefits are likely to be calculated on the basis of take-home wages made higher by overtime. If a man works 48 hours a week for 80 cents an hour, his wage is \$41.60. Based on that wage he would be entitled to the maximum benefit payable in any State. Yet if his hours were cut to 40, his wage would be only \$32. At such a wage scale he might draw more while unemployed under S. 1893 than he could earn for 40 hours work. This would be equally true at any lower wage.

It is said that the requirement of registering for employment would prevent a choice between the two situations. In times of severe labor shortage, this probably would be true; but in anything less than full employment it is the diligent who find jobs. One naturally not diligent certainly would not work 40 hours a week if S. 1893 were law.

CONCLUSIONS

This committee has repeatedly recorded itself as being opposed to any action that expands or tends to expand Federal authority in fields where that authority is not essential. It feels that those functions which the States can perform as well or better than they

¹ Detailed table is attached as an appendix.

can be performed by the Federal Government should be left to the States. It is opposed to any contrary action, either temporary or permanent.

This committee is reluctant to predicate its plans for a post-war economy on the theory that any segment of the economy must necessarily be subsidized. It agrees with the State directors that there must be a definite and distinct financial advantage in employment, as against the benefits drawn on account of unemployment. With the benefits to soldiers fixed by S. 1767 at \$20 a week, the Congress would not be justified in exceeding this figure for civilians.

In the case of some of the individual States, the committee feels that the benefits might well be made somewhat higher, but it does not feel that this insufficiency warrants a breaking down of the State systems by setting up a Federal standard. It points out, however, that more adequate State benefits would do much to weaken the argument for federalization of the State systems and the committee respectfully recommends that the States survey their situations in the light of the generally increased wage scales and in the light of the greatly increased reserve funds.

The evidence before the committee leaves little doubt as to the adequacy of the unemployment compensation funds to meet any probable drain on them, but because of the dislocations caused by the war, the committee feels that this adequacy cannot be left to any possible chance. The impact of worker migration, for which the States are not responsible, will not hit each with equal severity. Furthermore, while as a national average maximum benefits could be paid from present funds to 60 percent of the covered workers now employed, the funds of several

highly industrialized States are sufficient to pay benefits to only 38 or 39 percent of covered workers now employed. The committee, therefore, feels that it is right and proper that the Federal Government guarantee the solvency of the State unemployment funds to each State, provided those funds are distributed in strict accordance with State law, for the period of the transition.

The committee also feels that there should be brought under the State systems all classes of workers which, within the limits of administrative possibility, can be brought under them. It is believed impracticable to cover agricultural workers and domestic employees. Certainly the Federal Government should not undertake to force State and local government employees under the act.

The committee is in favor of extending coverage to employers of one or more, instead of eight or more, as at present. It also feels that it should be extended to maritime workers of private shipping companies. These recommendations, however, can rightly be effectuated through the taxing laws and any legislation with reference to them must originate in the House of Representatives.

The committee feels that employees of the Government, including the War Shipping Administration, should be brought under the act. Government workers in arsenals and shipyards and in other Government agencies have worked and lived side by side with workers in private industry. The Government through its war contracts has paid the cost of the unemployment-compensation tax on those working for private war plants. The committee sees no reason why it should not pay it for those on its own pay roll. Many of these men gave up accumulated benefits under the State systems in order to take places in federally operated war plants and

Federal war agencies and they should be placed in the same position they would have enjoyed had they been engaged in war work for a private employer. It feels, however, that payments to Federal Government employees should be based on the laws of the States in which they live so that there would be no discrimination either for or against them, as compared to their neighbors. The committee believes that it would be inappropriate for the Federal Government to pay taxes to the States but that it could be handled by means of payments to the States of the amounts paid in unemployment-compensation benefits to Federal employees.

This committee, therefore, recommends that the unemployment compensation law be amended—

(1) To provide for payments to Federal workers through the State unemployment agencies and under the State laws;

(2) To guarantee the solvency of State unemployment compensation funds, through the setting up of a revolving loan fund, to make loans to the States at any time the compensation reserves of a State prove to be inadequate;

(3) That the Unemployment Tax Act be amended, through legislation initiated in the House of Representatives, to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees.

If developments prove that the unemployment compensation system as now constituted is inadequate to take care of any situation that may arise in the future, steps can then be taken to supplement it, but the integrity of that system should be preserved unless any proposed change is demonstrated to be imperative.

APPENDIX

Data and estimates supplied by State unemployment compensation agencies (through May 25, 1944)

State	A	B	C	D	E	F	G	H
	Estimated number of covered workers currently employed, December 1943 (thousands)	State's unemployment compensation fund balance as of May 14, 1944 (thousands)	Law's maximum weekly benefit	Estimated average weekly check (late 1944)	Law's maximum duration (weeks)	Product of average check and maximum duration (D)×(E)	Number of workers who could be paid that amount from that fund (B)÷(F) (thousands)	Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G)÷(A)
Total, 50 States.....	30,435.8	\$5,285,039					18,502.2	60.7
Alabama.....	432.0	151,596	\$15	\$14	20	\$280	184.2	42.7
Alaska.....	35.0	6,950	16	15½	16	248	28.0	80.1
Arizona.....	95.0	14,440	15	14½	14	203	71.1	74.9
Arkansas.....	187.3	22,103	15	13	16	208	106.2	56.7
California.....	2,259.0	531,706	20	18½	24	444	1,197.5	53.0
Colorado.....	200.0	27,610	15	14	16	224	123.2	61.6
Connecticut.....	650.0	138,328	22	19	18	342	404.4	62.2
Delaware.....	100.0	13,069	18	16	20	320	40.9	40.9
District of Columbia.....	190.0	40,326	20	17	20	340	118.6	62.4
Florida.....	380.0	39,592	15	13	16	208	190.3	50.1
Georgia.....	500.0	60,353	18	15	16	240	251.4	50.3
Hawaii.....								
Idaho.....	75.0	10,883	18	15	17	255	42.6	56.9
Illinois.....	2,185.0	1,404,423	20	17	20	340	1,189.4	54.4
Indiana.....	874.6	142,865	18	16½	18	297	481.0	55.0
Iowa.....	288.0	45,725	15	11	15	165	277.1	96.2
Kansas.....	270.0	39,865	15	14	16	224	177.9	65.9
Kentucky.....	309.4	70,256	16	12	16	240	202.7	64.6
Louisiana.....	405.0	55,306	18	16	20	320	172.8	42.7
Maine.....	182.0	27,200	18	13	16	208	130.7	71.9
Maryland.....	560.0	97,000	20	18	23	414	234.3	41.8
Massachusetts.....	1,400.0	183,338	18	17	20	340	539.2	38.5
Michigan.....	1,571.8	233,185	20	19	20	380	613.6	39.0
Minnesota.....	453.0	62,900	20	15	16	240	262.0	57.9
Mississippi.....	200.0	17,624	15	11½	14	161	109.4	54.7
Missouri.....	747.3	124,529	18	16½	16	264	471.7	63.1
Montana.....	80.0	13,358	15	13	16	208	64.2	80.3
Nebraska.....	142.5	20,302	15	13½	16	216	93.9	65.9
Nevada.....	38.0	7,722	15	14½	18	261	29.5	77.9
New Hampshire.....	110.0	17,608	18	14	18	252	69.8	63.5
New Jersey.....	1,300.0	328,076	18	15	18	270	1,215.0	93.5
New Mexico.....	56.0	7,470	15	12	16	192	38.9	69.5
New York.....	3,906.1	723,762	18	16	20	320	2,261.7	57.9
North Carolina.....	581.0	80,100	15	10	16	160	500.6	86.2
North Dakota.....	31.0	4,062	15	12	16	192	21.1	68.2

¹ As of Apr. 30, 1944.

² Apparently based on cumulative, rather than December 1943, figures. ("Spot" figures for Wyoming; column A, 39.4; column H, 58.1.)

³ Data not available by May 25, 1944.

Data and estimates supplied by State unemployment compensation agencies (through May 25, 1944)—Continued

State	A	B	C	D	E	F	G	H
	Estimated number of covered workers currently employed, December 1943 (thousands)	State's unemployment compensation fund balance as of May 14, 1944 (thousands)	Law's maximum weekly benefit	Estimated average weekly check (late 1944)	Law's maximum duration (weeks)	Product of average check and maximum duration (D)×(E)	Number of workers who could be paid that amount from that fund (B)÷(F) (thousands)	Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G)÷(A)
Ohio.....	2,050.0	\$364,152	\$16	\$15	18	\$270	\$1,348.7	65.8
Oklahoma.....	275.0	38,134	16	14	16	224	170.2	61.9
Oregon.....	316.3	52,270	15	14½	16	232	225.3	71.2
Pennsylvania.....	2,625.0	517,418	18	16	16	256	2,021.1	77.0
Rhode Island.....	239.5	55,513	18	16½	20	330	168.2	70.2
South Carolina.....	276.0	30,300	15	12	16	192	157.8	57.1
South Dakota.....	38.1	5,520	15	12	16	192	28.7	75.4
Tennessee.....	480.0	58,259	15	12½	16	192	303.4	63.2
Texas.....	1,063.9	123,696	15	12½	16	200	618.4	58.1
Utah.....	115.0	19,244	20	18½	20	370	52.0	45.2
Vermont.....	60.0	9,738	15	13	18	234	41.6	69.4
Virginia.....	450.0	52,302	15	11	16	176	297.1	66.0
Washington.....	569.0	104,452	15	14½	16	232	450.2	79.1
West Virginia.....	375.0	54,037	18	15½	16	248	217.8	58.1
Wisconsin.....	650.0	130,112	20	17½	20	350	371.7	57.2
Wyoming.....	58.5	6,230	20	17	16	272	22.9	39.2

¹ As of Apr. 30, 1944.

SOLVENCY OF STATE UNEMPLOYMENT COMPENSATION FUNDS AS OF MAY 15, 1944

The above table, which is based on State figures and estimates, throws some light on the ability of the several State unemployment-compensation funds to pay the benefits promised by the respective State laws. [These figures are similar to older (June 30) data released by the Bureau of Employment Security of the Social Security Board, on November 27, 1943.]

The figures shown are the latest available State estimates of this kind. They are based on:

- The number of covered workers currently employed as of late December 1943;
- The State unemployment funds available as of May 14, 1944;
- The benefit provisions of State laws, as of May 15, 1944; and
- Each State's estimate as to its probable average benefit check ("per week of total unemployment, for late 1944, assuming that many war-production workers might then be drawing benefits").

As a very rough indicator of how heavy a percentage of unemployment each State could have, and still pay its promised benefits:

- The State's estimated average weekly check was first multiplied by its maximum duration, to arrive at a rough (possible) total amount of benefits per worker, which might have to be paid to an individual claimant.
- Assuming that such a total amount were in fact paid out to each unemployed claimant, then: To what percent of all covered workers could that much be paid before exhausting the State's fund?
- To answer that question, the fund's May 14, 1944, balance was divided by the above total amount "per worker," thereby showing to how many workers the fund (as of that date) could pay that amount.
- The resulting number of workers was stated as a percentage of all covered workers (currently employed as of late December 1943.)

So the last column of figures roughly suggests how heavy a percentage of unemployment each State could have, and still pay in full the benefits promised by its present law from the funds it already has on hand (as of May 14, 1944).²

² (1) Two main factors tend to make these percentages (in column H) rather conservative.

- Each State fund will have a considerably higher balance—than it now has—before

Mr. DAVIS. Mr. President, will the Senator from Georgia yield so that I may propound a question to him in which I believe he will be interested?

Mr. GEORGE. I yield.

Mr. DAVIS. During the debate on the bill which was recently passed by this body providing for settlement of war contracts, the statement was made that some day we might expect a bill to be reported which would provide for a solution of the human problems involved in the matter of reconversion to peacetime production. There is a widespread public interest in the human element of conversion, especially on the part of those who are laboring in the war-production centers of the Nation. I am most anxious to see effective action taken by the Senate with respect to this matter at the earliest possible date.

Mr. President, I should like to inquire whether we may expect, and when we may expect, a report on the bill, and when the bill will be presented to the Senate for its consideration.

Mr. GEORGE. Mr. President, I do not know that I can answer the question beyond saying that the report just submitted by the Special Committee on Post-war Economic Policy and Planning deals with the particular phase of the reconversion problem to which the Senator from Pennsylvania has made reference, and specifically with two or three bills now before the Military Affairs Committee of the Senate, that committee being the legislative committee which is in charge of those particular bills. The committee has before it a bill which was originally introduced by the Senator

much readjustment unemployment occurs; and

- Not all benefit claimants will receive the law's "maximum" duration.

(2) On the other hand, the number of covered workers "currently employed as of late December 1943" is lower than the cumulative number employed within a year, and does not include all potential claimants having some benefit rights.

- Please note, finally, that these figures are not "predictions," in any way, as to how much unemployment will in fact occur.

from Georgia, and the Senator from Montana [Mr. MURRAY]. The subcommittee considering the bill has proposed a means of dealing with the problem of unemployment compensation, or a phase of the problem of so-called human demobilization.

Another bill is before the committee. It was introduced by the Senator from West Virginia [Mr. KILGORE], and deals directly with the same problem.

I see no reason why some bill along the line indicated should not be considered on the floor immediately following the recess, and I am confident that the Military Affairs Committee of the Senate will report a bill to the Senate and that it can be taken up and disposed of.

Exhaustive studies have been made over a long period of time of the problems dealing with the disposal of surplus plants, surplus materials, and surplus property of the Government accumulated during the war effort. Of course, the question of demobilization of the workers, transportation of workers from the war projects where they are employed back to their homes, and compensation or similar benefits to be provided in the event of unemployment, are problems which have undoubtedly occasioned delay thus far in submitting a bill to the Senate. I see no reason why we cannot hope to have a bill reported and considered immediately after the recess of the Senate.

Mr. DAVIS. I thank the Senator.

RENUNCIATION OF AMERICAN CITIZENSHIP BY CERTAIN CITIZENS OF JAPANESE ANCESTRY

Mr. RUSSELL. Mr. President, will my colleague yield to me in order that I may bring up a matter which can be disposed of within a short period of time?

Mr. GEORGE. I yield.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar No. 1048, House bill 4103.

Mr. WHITE. Mr. President, what is the bill?

The ACTING PRESIDENT pro tempore. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4103) to provide for loss of United States nationality under certain circumstances.

Mr. RUSSELL. Mr. President, House bill 4103 was passed by the House of Representatives some time ago. It provides a method whereby persons of Japanese ancestry, but of American citizenship, may divest themselves of their American citizenship if they wish to do so.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHITE. Is this the bill in which the Senator from Oregon [Mr. HOLMAN] has expressed an interest in the past and to which he has since withdrawn objection?

Mr. RUSSELL. I do not believe the Senator from Oregon ever interposed any objection to the bill. He suggested an amendment to the bill providing that the word "voluntarily" be inserted. The Senator was on the floor a moment ago. I have explained to him that all those methods of divesting citizenship are voluntary.

Mr. WHITE. Let me put the question in this way: So far as the Senator from Georgia is advised, does the Senator from Oregon now object to the present consideration of the bill?

Mr. RUSSELL. I believe that the Senator from Oregon is in favor of the bill.

Mr. President, I desire to make a brief explanation of the bill.

Eight methods are provided by the Nationality Act of 1940 for divesting American citizens of their citizenship. An American citizen may divest himself of citizenship by voting in an election held in a foreign country, by joining the armed forces of a foreign state, or by accepting a governmental appointment from a foreign state. Other causes or reasons are also recognized.

In this country there are many persons of the Japanese race who really possess a dual citizenship. They were born in this country and have American citizenship. Many of them have been back in Japan, and they really feel that their allegiance is to the Emperor of Japan. We are now detaining those people in relocation centers. Under the bill, if they apply voluntarily to divest themselves of their American citizenship they will be taken out of war relocation centers and interned as enemy aliens. We should certainly provide a method which would permit such Japanese to divest themselves of American citizenship if they really owe allegiance to the Japanese Emperor.

The reason I have asked to have the bill considered at this time is that we are hopeful that a number of Japanese will take advantage of the procedure outlined in the bill so that we may offer them to the Imperial Government of Japan in exchange for American citizens who are now being held in territory occupied by the Japanese.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4103), to provide for loss of United States

nationality under certain circumstances, was considered, ordered to a third reading, read the third time, and passed.

FUTURE WORLD PROGRAM FOR PEACE

Mr. WALLGREN. Mr. President, recently President Roosevelt stated preliminary conclusions concerning the formation and structure of an organization to protect the world from future aggression and war.

Every citizen should read and study the President's statement. The people of this Nation will be the greatest force for peace when they realize how much permanent peace possibilities depend upon them and their government.

No single subject, with the single exception of the war itself, has brought so many letters to my office. These letters indicate clearly that the people of these United States know that partisanship and individual bias dulled the perception of statesmen 25 years ago when the world groped for a just and lasting peace. They want no repetition of this failure.

Promise that the Nation will subjugate its many varied opinions in the interest of a balanced world plan promising lasting peace is found in the petition sent me by students of the State College of Washington. This farsighted petition was signed by 630 students.

Mr. President, I ask unanimous consent to have placed in the RECORD, following these remarks, President Roosevelt's statement and the petition of students of the Washington State College.

There being no objection, the statement of the President, and the petition of students of the Washington State College, were ordered to be printed in the RECORD, as follows:

The conference today with officials of the Department of State on the post-war security organization program is a continuation of conferences which have been held from time to time during the past 18 months. These conferences have enabled me to give personal attention to the development and progress of the post-war work the Department of State is doing.

All plans and suggestions from groups, organizations, and individuals have been carefully discussed and considered. I wish to emphasize the entirely nonpartisan nature of these consultations. All aspects of the post-war program have been debated in a cooperative spirit. This is a tribute to the political leaders who realize that the national interest demands a national program now. Such teamwork has met the overwhelming approval of the American people.

MUST BE JOINT TASK

The maintenance of peace and security must be the joint task of all peace-loving nations. We have, therefore, sought to develop plans for an international organization composing all such nations. The purpose of the organization would be to maintain peace and security and to assist the creation, through international cooperation, of conditions of stability and well-being necessary for peaceful and friendly relations among nations.

Accordingly, it is our thought that the organization would be a fully representative body with broad responsibilities for promoting and facilitating international cooperation, through such agencies as may be found necessary to consider and deal with the problems of world relations. It is our further thought that the organization would provide for a council, elected annually by

the fully representative body of all nations, which would include the four major nations and a suitable number of other nations. The council would concern itself with peaceful settlement of international disputes and with the prevention of threats to the peace or breaches of the peace.

COURT OF JUSTICE

There would also be an international court of justice to deal primarily with justiciable disputes.

We are not thinking of a superstate with its own police forces and other paraphernalia of coercive power. We are seeking effective agreement and arrangements through which the nations would maintain, according to their capacities, adequate forces to meet the needs of preventing war and of making impossible deliberate preparation for war, and to have such forces available for joint action when necessary.

All this, of course, will become possible once our present enemies are defeated and effective arrangements are made to prevent them from making war again.

Beyond that, the hope of a peaceful and advancing world will rest upon the willingness and ability of the peace-loving nations, large and small, bearing responsibility commensurate with their individual capacities, to work together for the maintenance of peace and security.

We, representing the university students of the United States, believe that Congress should formulate certain specific policies for the peace settlement now and should include as basic the policies stated below. This petition has been initiated and circulated by Mortar Board, National Senior Women's Honorary Organization.

We recommend:

1. The Congress consider the present conflict in terms of a step in international evolution and not as an isolated event in and of itself; that post-war planning be formulated with an eye to progress and not be based upon any "back to normalcy" type of planning.

2. That all plans for the post-war world be based upon international cooperation with our enemies as well as with our allies.

(a) We believe democracies can and must cooperate closely with nations having other forms of government.

(b) We believe the peace plans regarding individual enemy nations should be based upon permanent international cooperation with no idea of vengeance.

3. That Russia and China are nations with whom post-war as well as wartime alliances will prove mutually beneficial.

(a) The fundamental aims of their Governments are similar to the democratic philosophy of the United States Government.

(b) China, Russia, and the United States by virtue of their respective geographic positions, natural resources, and common interest in the value of the individual in the state, have a natural basis for permanent cooperation.

(c) Fear of these nations, one for the other, is illogical when considered in the light of the above statements, and should not hinder our fullest cooperation with Russia and China.

(d) In the post-war United States there will be a problem of racial minorities. Close cooperation with Russia who has already solved its race problem and with China whose people constitute one of our racial minorities will help us in solving our own race problem.

4. That plans for the post-war world be centered around a council with full international representation. That the principles laid down in the Atlantic Charter be used as goals toward which the above-mentioned international council will strive.

5. That Congress prepare the people of the United States now for the continuance of

such domestic wartime restrictions after the war as will be necessary, in order that the United States may continue sending aid to other countries during the readjustment period.

RURAL ELECTRIFICATION PROJECTS

Mr. LUCAS. Mr. President, recently I introduced a bill known as Senate bill 2029, to provide for the planning of rural electrification projects, and for other purposes. I notice by the bill that it was read twice and referred to the Committee on Agriculture and Forestry. In view of the fact that the Senate has designated a special committee, of which the Senator from Georgia [Mr. GEORGE] is chairman, to study post-war planning and economic stabilization, I ask unanimous consent that a copy of the bill be sent to that committee.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

GOVERNMENTAL POLICIES ADVOCATED BY VOTERS OF WASHINGTON

Mr. WALLGREN. Mr. President, in 3 days Washington State registration books will close and those people at home who have not signed up will not be able to vote in the primary election on July 11.

The books will reopen after July 11 and remain available for signature by new residents, or by those renewing their registration. Everyone must have registered by mid-October to be eligible to cast a vote for the President and others in the November general election.

For this most important election in our history, I predict that thousands of men and women in Washington State will become registered voters before November.

Needless for me to say, I predict that a great majority of Washington State residents will vote for President Roosevelt and for the progressive Democratic candidates. I say this because I know Washington State voters to be progressive. They will compare the job to be done with the job already done toward winning the war. This comparison everywhere will favor progressive Democratic administration.

The letters sent to me here in the Nation's Capital indicate how keen is the interest in the problems of the war and of the peace to follow. Some of the things we in Washington State want might be listed as follows:

The first and foremost desire, of course, is the winning of the war unconditionally to prepare the way for a permanent peace.

Remembering that poverty anywhere threatens prosperity everywhere, we want the peace to help raise the standards of living everywhere.

Here at home we want the full employment of today continued tomorrow. We do not want monopoly interests to say that this or that war plant cannot be operated.

We know the future should mean full employment, and we want that coordination between State and Federal Government which will insure the greatest use for these war plants.

We want the farmer to benefit from full employment which will let him sell

his products at profitable prices. The farmer must be protected against a price deflation as well as against the evils of inflation.

We want the farmer, through unhampered farm cooperatives and otherwise, to have a just return as compared to other segments of the population.

We want the Columbia Basin to mean new and prosperous homes for veterans and war workers.

We want Columbia River hydroelectric power to bring us peace industries after it has completed its well started job of powering war production.

We want no sabotage of the public power program by either Government or by reactionary business.

We want no war veteran to be worse off because he or she has served on the battle front in the fight for all of us at home. We want adequate compensation for disabilities.

We want certain benefits of social security for every citizen, not necessarily because he has this or that amount of money, but because he needs them, and in having them he makes the Nation stronger.

We want the full and free right of collective bargaining for labor unions continued.

We want free educational opportunities in a constantly improving educational system made available according to aptitude.

In short, we want those things which will let us live as well as human science will let us live.

We want this progress for the sake of humanity, but we want it also as a memorial to the men and women who will have given their lives that democracy and decency might continue a world force for the betterment of the common man.

DISPOSITION OF PROFITS FROM SALES OF SHIPS' STORES

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 784) to amend that part of the act of June 24, 1910 (36 Stat. 619), relating to disposition of profits from sales of ships' stores, which was, to strike out all after the enacting clause and insert:

The second proviso under the heading "Bureau of Supplies and Accounts", sub-heading "Provisions, Navy", in the act of June 24, 1910 (36 Stat. 619-620; 34 U. S. C. 542), is hereby amended to read as follows: "Provided, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profit to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and contentment of the enlisted force, except that the Secretary of the Navy shall cause an equitable use of such profits to be made for the welfare of officer and enlisted personnel attached to ships of the Navy and to activities outside the continental United States but not including permanent shore establishments as defined by the Secretary of the Navy, and such

profit to be accounted for to the Bureau of Supplies and Accounts, Navy Department."

Mr. TYDINGS. Mr. President, for the information of the Senators who are present, I wish to say that this is a Senate bill which has passed the House with slight clarifying amendments, which do not alter the philosophy of the bill as it passed the Senate. It was originally reported unanimously from the Naval Affairs Committee of the Senate. As he is necessarily absent, the chairman of the committee has asked me if I would not make the motion to concur in the House amendments. I will not make a longer explanation, though I have one here in detail, but what I have said is explanatory of the facts in the case.

I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, while we are waiting on one other appropriation bill, the second deficiency bill, which I understand the House will have here sometime within the next hour or so, I shall ask that the Senate take a recess subject to the call of the Chair, but before making that suggestion, I should like to have some nominations on the Executive Calendar confirmed. There are only a few names on the calendar. Therefore, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

James P. Moffitt, of New York, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general;

David McK. Key, of Tennessee, now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consul general;

Robert B. Memminger, of South Carolina, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul; and

Harlan B. Clark, of Ohio, now a Foreign Service officer of class 8 and a secretary in the Diplomatic Service, to be also a consul.

By Mr. TYDINGS:

From the Committee on Territories and Insular Affairs:

Gerald Robert Corbett, of Hawaii, to be secretary of the Territory of Hawaii, vice Ernest K. Kal, resigned; and

Llewellyn M. Williams, of Alaska, to be secretary of the Territory of Alaska (vice Edward L. Bartlett).

From the Committee on Naval Affairs:

Capt. Robert O. Glover, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of July 1942; and

Capt. Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 31st day of January 1943.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:
Sundry postmasters.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc, and that the President be notified.

The ACTING PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc, and the President will be immediately notified.

MARINE CORPS

The legislative clerk read the nomination of Brig. Gen. Clifton B. Cates to be major general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask that the President be notified in that case also.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

SECRETARY OF ALASKA

Mr. TYDINGS. Mr. President, there is a nomination which has lately been reported, too late for printing, the nomination of Llewellyn M. Williams to be Secretary of Alaska. Inasmuch as this is to be our last meeting before the recess, and there is a vacancy in the office, recently created, and it is important to the administration of affairs in Alaska that the place be filled, I am hopeful that the nomination may be confirmed at this time.

Mr. WHITE. Is this the nomination of Llewellyn M. Williams?

Mr. TYDINGS. That is the nomination. I should like to have the nomination confirmed, as there will be no chance tomorrow, and an officer is needed to sign certain commissions and documents.

The ACTING PRESIDENT pro tempore. Is there objection to suspension of the rule and the present consideration of the nomination of Llewellyn M. Williams, of Alaska, to be Secretary of the Territory of Alaska? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of Llewellyn M. Williams to be Secretary of the Territory of Alaska.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. TYDINGS. I ask that the President be immediately notified.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

There are also a number of postmasters whose nominations have been reported.

Mr. McKELLAR. All those which have been sent in and approved by the Senators from the States from which the postmasters come I ask unanimous consent to have confirmed en bloc, and the President notified.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and, without objection, the nominations are confirmed, and the President will be notified forthwith.

NAVY AND FOREIGN SERVICE NOMINATIONS

Mr. BARKLEY. Mr. President, from the Committee on Naval Affairs there have been reported several nominations for promotions; also from the Committee on Foreign Relations there have been reported today, too late to be placed on the calendar, a number of routine nominations in the foreign service. I ask unanimous consent that the nominations be now considered and confirmed.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request for the present consideration of the nominations? The Chair hears none. Without objection, the several nominations are confirmed; and, without objection, the President will be notified forthwith.

NOMINATION OF ERNEST JOSEPH DAWLEY TO BE A BRIGADIER GENERAL IN THE ARMY

Mr. REYNOLDS. Mr. President, several days ago there came to the attention of the Members of this body in executive session the nominations of a number of Army officers who had been selected for promotion. Among the nominations considered was the nomination of Ernest Joseph Dawley to be a brigadier general, for temporary service, in the Army. At that time our distinguished colleague the senior Senator from Texas [Mr. CONNALLY] requested that the nomination be given further consideration, and, in a sense, protested the promotion at that time.

I dare say that at this time the senior Senator from Texas desires an opportunity to make clear to the Members of this body why he made objection. After he shall have finished, I shall be very glad to read from reports which I have before me pertaining to the promotion which the committee had under consideration.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read:

To the Senate:

In compliance with the request of the Senate of June 22, I am returning herewith its resolution of June 21, 1944, advising and consenting to the appointment of Ernest Joseph Dawley to be a brigadier general, for temporary appointment, in the Army of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 23, 1944.

Mr. CONNALLY. Mr. President, I thank the Senator from North Carolina, chairman of the Committee on Military Affairs. Information—I do not know that it can be called information in the sense that it was confirmed—or reports had come to me, after the confirmation of General Dawley a few days ago, that in the operations at Salerno General Dawley was in command of an Army corps. The Thirty-sixth Division from my State, which is a very efficient division because of its long organization and training over many years as a National Guard division, spearheaded the landing at Salerno, and suffered rather heavy casualties. General Dawley was in command of the corps, and General Walker was in command of the division. The report had reached me that General Dawley had instructed the division commander to send a battalion of the Thirty-sixth Division into a certain sector on a certain mission, and that the division commander had protested that it should not be done, that it would be disastrous, and that they would suffer heavy casualties. The corps commander is said to have replied, "If you do not order them in there, I will." Of course, the corps commander being the superior officer, the division commander complied.

It was because of that transaction that I acted. It is rather well known, I think, that General Dawley was demoted at the request of General Clark. He held the temporary grade of major general at that time. I understand from the press that he was demoted from that grade back to his permanent grade of colonel, and was returned to the United States, because of the fact that he was found not to be qualified for the command of large groups or organizations in battle, but was probably equipped to perform training services and other duties. For that reason the War Department had recommended his promotion from the grade of colonel to the grade of brigadier general. He is not being restored to the grade of major general. On that account I asked that the nomination be reconsidered, and I requested the Military Affairs Committee to convene this morning and have representatives of the War Department before them for the purpose of looking into this particular transaction.

I shall be glad to have any statement from the members of the committee with respect to this particular matter.

Mr. JOHNSON of Colorado. Mr. President, General McNarney made it clear that he was speaking for General Marshall, and that what he had to say on the subject had General Marshall's full approval. He explained to us that while this general had failed in battle for one reason or another, he still was a very valuable man as a training officer; that he had been an outstanding training officer before he was assigned to the field in Italy; that the Army was badly in need of training officers of his capability; that the battle experience which he had had in Africa and Italy had increased his value as a training officer; and that it was necessary, in order fully to utilize his capabilities, that he be promoted

from the permanent grade of colonel to the temporary grade of brigadier general. It was recommended to the Senate that he be given a temporary promotion from the grade of colonel to the grade of brigadier general so that his capabilities might be fully utilized by the War Department. General McNarney made it clear to the committee that it was not the purpose to use him further in battle.

Mr. REYNOLDS. Mr. President, I wish to take advantage of the opportunity to extend my congratulations to the Senator from Texas [Mr. CONNALLY] for having interested himself personally in the welfare of the boys from Texas who were in the division concerning which he spoke. I believe that the Senator from Colorado, one of the ranking members of the Committee on Military Affairs, has explained the situation to the Senate.

As he has said, the general whose name was in question had been considered one of the finest trainers we had in the United States Army. He had been engaged for a long time in the training of our men. He had a fine record. It was reported to us that as a matter of fact he was one of the top-notchers. But, as explained to us by the Senator from Colorado, and as explained to us by General McNarney, while this general was on the battle front, he became excited, and actually, according to General McNarney's words, exhausted himself both physically and mentally in trying to do too much. As a result, as has been explained by the Senator from Colorado, his rank was reduced to that of colonel, and he was returned to the United States.

Upon his return here it was learned that his services were needed very badly in order to continue the very excellent work he had done here before he was sent overseas.

As a result of the request to the Senator from Texas, General McNarney came before the committee personally, representing General Marshall, the Chief of Staff.

In order that the Record may be clear, and to show that the position of the Senator from Texas is justified, I wish to read from the record:

Col. Ernest J. Dawley, Field Artillery Commandant, Tank Destroyer School, Camp Hood, Tex. Colonel Dawley was demoted on September 23, 1943, from major general. He had been admirable in all of the training and organizational phases, according to General McNair, and his demotion was determined by General Eisenhower, since we would not permit him to return officers in grade after relief. Since his return to the United States, his services have been utilized by General McNair in training commands, where his ability has been of great value. Incidentally, the reappointment to grade of brigadier general of a man who has been demoted from grade of major will have beneficial effect on theater commanders, who otherwise are reluctant to demote officers of high rank to lieutenant colonel or colonel. Dawley was merely advanced beyond his capacity.

I assume it means in battle spheres.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. JOHNSON of Colorado. I think it should be stated, furthermore, that General McNarney neither admitted nor confirmed the report about which he was questioned by the Senator from Texas as to the assignment of men in a very dangerous position. He said he had no knowledge of that particular matter, that they had many reports of that kind, and that there might be circumstances which would fully justify the assignment of men to a dangerous position in order to save the other parts of an army which had to withdraw. I think it should be stated that General McNarney neither affirmed nor denied the report.

Mr. REYNOLDS. As a matter of fact, Mr. President, that was stated a day or two ago. At any rate, in justification of the withdrawal of objection by the Senator from Texas, I wish to read briefly one paragraph from the record.

Mr. HILL. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. HILL. General McNarney testified that the position General Dawley now holds is a position ordinarily held by a major general. It is only proposed now to make him a brigadier general.

Mr. REYNOLDS. That is correct.

Mr. HILL. In other words, that shows the importance of the position he now holds. General McNarney testified that he has held it very well and has done a splendid job in it.

Mr. REYNOLDS. The Senator is correct. I thank him very much.

Mr. President, I now read from the report:

On September 20, 1943, Lt. Gen. Mark W. Clark, Commanding General of the Fifth Army, said, "General Dawley has many excellent qualities. He is a very intelligent officer and has great moral and physical courage. He is loyal, sincere, and devoted to duty, and I have no criticism to make of his attitude. However, when convinced after careful consideration I had no choice but to make this extremely painful decision in order to secure an efficient and effective corps." Colonel Dawley was demoted from major general on September 23, 1943, by General Eisenhower. He had been advanced to corps commander, a position beyond his capacity.

I believe that is in full explanation of the situation. Again I take this opportunity to thank the distinguished senior Senator from Texas for having brought this matter before the Senate.

Mr. CONNALLY. Mr. President, let me say that the testimony of General McNarney before the Committee on Military Affairs this morning was quite persuasive. He said he represented General Marshall and General Marshall's views about this matter, and that, although the War Department has no purpose of utilizing General Dawley in any armed operations in the field, on account of his having proved in battle that he was not qualified for a high command, General Marshall was extremely anxious that he be retained in the service, and be utilized for training purposes.

Mr. REYNOLDS. He also said that it would be for the betterment and the benefit of the war effort to have him so retained.

Mr. CONNALLY. Yes; he said that. He also said that the particular assignment which he now occupies is a highly important one. It is the antitank instruction school at Camp Hood, Tex. He said that General Dawley was an eminent training officer, and that his services were required to promote the war effort and to prepare the training for those at home.

All that was very persuasive, Mr. President. The records submitted by General McNarney also showed that, as to this particular instance with respect to the particular battalion, there was no direct evidence or record on either side, and it was his view that no one in the United States would have such information. He said there were many rumors about what had happened to different battalions or other organizations in those operations, but that they could not deny or affirm or substantiate such matters, and that it was possible, as was suggested by the Senator from Colorado, that in operations in which the lines were being reformed and straightened it frequently was necessary to detail a small group to hold a pivotal point as a rear guard in order to save the remainder of the Army when it was being reformed.

So, Mr. President, I shall submit the matter to the Senate.

Mr. REYNOLDS. Mr. President, the Senator has stated most clearly the testimony furnished to the committee today.

The ACTING PRESIDENT pro tempore. Has the Senator from North Carolina made a motion or a request?

Mr. REYNOLDS. We would like to have the nomination reconsidered.

The ACTING PRESIDENT pro tempore. The nomination has already been reconsidered.

Mr. REYNOLDS. I move the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Carolina.

Without objection, the motion is agreed to, and the nomination is confirmed.

Mr. BARKLEY. I ask that the President be notified forthwith of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. The Parliamentarian advises the Chair that with respect to all nominations confirmed as of today, the President will be notified, without special action on the part of the Senate.

SECRETARY OF HAWAII

Mr. BARKLEY. Mr. President, the Committee on Territories and Insular Affairs has today reported the nomination of Gerald Robert Corbett, of Hawaii, to be Secretary of the Territory of Hawaii. I ask unanimous consent that the Senate proceed to consideration of the nomination.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Gerald Robert Corbett to be Secretary of the Territory of Hawaii.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

TUBERCULOSIS CONTROL IN CONNECTICUT

The Senate resumed the consideration of legislative business.

Mr. MALONEY. Mr. President, during the course of the call of the calendar yesterday the Senate considered and finally passed House bill 4624, a bill providing for the consolidation and revision of laws relating to the Public Health Service. In my State there was a little feeling of disturbance about the bill, because in Connecticut we have a State department of health and a State tuberculosis commission.

There was some feeling on the part of the officials of Connecticut that confusion might result because of the particular language of the bill. I have discussed the matter with officials of the United States Public Health Service, and yesterday received the assurance that we would not be hampered in our efforts to deal with tuberculosis in Connecticut, and I received a letter to that effect from the Surgeon General, Dr. Thomas Parran. I ask unanimous consent that this letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES PUBLIC HEALTH SERVICE,
Washington, June 23, 1944.
HON. FRANCIS MALONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MALONEY: In compliance with your request of yesterday, I wish to inform you that I have the authority to promulgate regulations which will make it possible for State agencies, other than the health department, to participate through cooperative arrangement with the State health department, in the grants to be provided for tuberculosis control. These regulations will be set up after conference with the State and Territorial health officers, as provided in the law.

I am familiar with the excellent work which has been done in tuberculosis control in your State and naturally am anxious to see it further extended.

I appreciate very much your support of our Public Health Service bill yesterday.

With personal regards and best wishes, I am,

Very sincerely yours,

THOMAS PARRAN,
Surgeon General.

FURTHER REPLIES TO SENATOR GUFFEY'S REMARKS CONCERNING SENATOR BAILEY

Mr. OVERTON. Mr. President, I have been unable to be in attendance at the session of the Senate throughout this afternoon. I have only now entered the Chamber, and I am advised that during my absence the Senator from Pennsylvania [Mr. GUFFEY] indulged in criticism of the senior Senator from North Carolina [Mr. BAILEY], or else read a letter criticizing the Senator. I wish to record my absence during the delivery of these remarks by the Senator from Penn-

sylvania. I wish to add that I do not know what the criticism is. I regret that the Senator from Pennsylvania did not withhold his comments on the Senator from North Carolina until he was present in the Chamber. Everyone knows that the Senator from North Carolina is necessarily detained from attendance on the Senate on account of illness.

I content myself now with making the general observation that the Senator from North Carolina rises above any criticism that might be leveled against him by the Senator from Pennsylvania or that may come from any other source. He rises above, and needs not, my own praise. There does not walk through the pages of the history of the United States Senate any finer, better, nobler character than that of Senator JOSIAH W. BAILEY.

Mr. McKELLAR. Mr. President, I have been in and out of the Senate Chamber all day. I did not hear the criticism which has been referred to, but if there was such criticism of the Senator from North Carolina I am just as sorry as any man ever was that any Senator should have directly or indirectly made any insinuation against the Senator from North Carolina.

Mr. President, I think the Senator from North Carolina is one of the finest men who ever adorned the Senate by his presence and occupancy of a seat in this Chamber, and I regret exceedingly that any Senator should in his absence have said anything concerning the Senator from North Carolina that would reflect in the slightest way upon him or his character. I think he is one of the finest, one of the ablest, one of the best men who has ever had a seat in this body.

THE COMING COAL CRISIS

Mr. MEAD. Mr. President, I desire to call the Senate's attention to an item that was taken out of the appropriation bill for the Department of the Interior by the conferees. This is an item involving several hundred thousand dollars, and it was inserted by the Senate Appropriations Committee for the purpose of carrying on a Nation-wide program of fuel conservation under the direction of the Solid Fuels Administration for War.

Mr. President, the item was not passed upon by the House committee when the bill was first introduced, for the reason that it did not have Budget clearance at that time, but as the need for fuel conservation throughout the United States, and particularly in the Northern States, became apparent, the matter was pressed and request was made of the Bureau of the Budget for \$2,006,000. The Bureau of the Budget approved an item for \$700,000. It was considered by the Senate Committee on Appropriations, and the item for \$700,000 for that purpose received the approval of the committee. It also received the approval of the Senate itself, but unfortunately the item was stricken out in conference.

Mr. President, that was a very necessary and a very essential item. On several occasions I have called the attention of the Senate to this matter, and I feel that it is necessary to continue my

interest because I believe the Northern States will suffer seriously from a fuel shortage this winter.

It has already come to my knowledge that coal dealers have advised their customers that they will be unable to make deliveries of coal next winter in amounts even close to the already curtailed deliveries of last winter. In one case, I am told, a householder, who must rely entirely on coal for heat, was told that he could only have 50 percent as much coal as he received last year.

This is very serious, particularly in the northeastern part of the country, where a great many homes use coal for fuel. In some cases where, at the request of the Government, patriotic householders have converted their heating units from oil to coal, the hardship is even more poignant. It appears inevitable, also, that war industries will be affected, in some cases seriously.

I am informed and hope that the fuel-oil situation will probably be as good as it was last year. Much, of course, depends on events in Europe. But the new pipe lines to the East and the wartime transportation and distribution system should be able to carry the load.

The coal situation, however, is another matter. Dr. C. J. Potter, Deputy Solid Fuels Administrator for War, recently warned that we are up against the stark reality of a shortage which cannot be avoided. Bituminous coal requirements, he stated, have recently been upped from 620,000,000 tons to 626,000,000 tons, against an estimated production of 596,000,000 tons. The difference will have to be made up out of a stock pile which has already dwindled to dangerous levels.

Anthracite coal, which is so widely used in the northeast for heating homes, will be even shorter this year than it was last year. It is estimated that production will reach 57,000,000 tons, which will have to be stretched over requirements estimated at 65,000,000 tons. The 8,000,000-ton difference will have to be made up by curtailing use of anthracite coal or by substituting bituminous coal wherever possible.

I understand that the special committee, headed by the able senior Senator from Connecticut [Mr. MALONEY] has made a study of both the coal and oil situations and will report to the Senate on them soon. I am eagerly awaiting their report in the hope that they will be able to aid the Senate, the Solid Fuels Administrator, and the Petroleum Administrator for War, in finding a working solution to the problem.

I am especially regretful that the appropriation recommended by the Bureau of the Budget, which was approved by the Senate committee and the Senate, has been stricken from the bill by the conferees. Only a well-organized, Nation-wide voluntary effort will now help the situation. I wish to pay my respects to the Secretary of the Interior and to his able assistant, the Deputy Solid Fuels Administrator for War, Dr. Potter, for initiating this voluntary effort. I understand that they are conferring with manufacturers, with the radio broadcasting industry, and with the press, in

an effort to spread the gospel of conservation throughout the country.

I realize the hardship that existed in my State last winter, Mr. President, when people, almost without number, formed long lines awaiting to have their small requirements filled at a central agency. Many of them were told when they finally got to the recording official, that the coal supply was exhausted, and as a result thousands of homes were without adequate heat in the State of New York. The situation will be, in my judgment, worse this year unless something is done about it. I hope that when we return from our recess this item requested by the Fuel Administrator will be inserted in a deficiency appropriation bill, and will be approved so that this conservation effort may have an opportunity to prove its value.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, announced that the House had passed without amendment the bill (S. 1947) to amend the National Housing Act, as amended.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1045) for the relief of Mrs. R. D. Robinson.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1755. An act for the relief of Broadus D. Boland;

H. R. 2006. An act for the relief of Mrs. Hagar Simpson; Mrs. Nat Price, Jr.; and Griffin Bros. Clinic;

H. R. 4095. An act confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; and

H. R. 4624. An act to consolidate and revise the laws relating to the Public Health Service, and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 40. Concurrent resolution authorizing the appointment of a joint committee to arrange for the inauguration of the President-elect of the United States on January 20, 1945;

S. Con. Res. 46. Concurrent resolution providing for a conditional adjournment of the two Houses; and

S. Con. Res. 47. Concurrent resolution authorizing the Presiding Officers of the two Houses to sign enrolled bills and joint resolutions after adjournment.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944,

and June 30, 1945, and for other purposes.

The message further announced that the House had passed a bill (H. R. 4803) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and they were signed by the Acting President pro tempore:

S. 1749. An act to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect; and

S. 1826. An act to amend section 6 of the act of July 2, 1940 (54 Stat. 714), relating to the exportation of certain commodities, and to continue said act in effect.

PROHIBITION OF DISCRIMINATORY EMPLOYMENT PRACTICES

Mr. MEAD. Mr. President, a few days ago when we were discussing legislation for the President's Committee on Fair Employment Practice, I promised to insert in the RECORD a list of States which have laws forbidding discriminatory employment practices. I ask unanimous consent to have the list printed in the RECORD at this point, together with some recent editorial comment on the Fair Employment Practice Committee.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

STATE LEGISLATION FORBIDDING DISCRIMINATORY EMPLOYMENT PRACTICES

The following seven States have enacted legislation forbidding discrimination in employment or in union membership based upon race, creed, or color:

NEW YORK

New York State has in recent years enacted several statutes forbidding discriminatory employment practices.

Chapter 9 of the laws of 1940 (civil rights law, sec. 43) makes it a misdemeanor punishable by fine or imprisonment for an officer or member of a labor organization to deny a person membership because of race, color, or creed, or to discriminate against a member because of race, color, or creed, in designating members to employers for employment, promotion, or dismissal. In addition, the person aggrieved is entitled to a minimum penalty of \$100 recoverable in a civil suit.

Chapter 676 of the laws of 1942 (penal law, sec. 514) makes it a misdemeanor punishable by the minimum fine of \$50 for any "industries engaged in defense contracts" to exclude a citizen of New York State from employment because of race, color, or creed, national origin, or previous condition of servitude. (See also civil rights law, sec. 44.) The same chapter likewise makes it a misdemeanor to exclude a citizen of the State from any "public employment," because of race, color, creed, national origin, or previous condition of servitude.

In addition, chapter 511 of the laws of 1933 (sec. 42 of the civil rights law) makes it a misdemeanor for any public utility to refuse to employ a person because of his race, color, or religion.

Chapter 158 of the Laws of 1935 (labor law section 220 (e)) requires such contract on behalf of the State or a municipality for "public work" to contain provisions obligating the contractor and his subcontractors not to discriminate "in the hiring of employees for the performance of work," under the contract by reason of race or color. A penalty is provided of \$5 per day for each person so discriminated against.

Finally, the administrative code of the city of New York makes it unlawful for any employment agency to publish a help wanted advertisement restricted to persons of any race, creed, or color, unless the advertisement carries the name of the prospective employer.

NEW JERSEY

Chapter 114 of the laws of 1942 makes it a misdemeanor for any war contractor to exclude a citizen from employment by reason of race, color, or creed, or previous condition of servitude. Persons who aid or incite in the violation are likewise guilty. The chapter likewise applies to "public employment."

ILLINOIS

The act of July 21, 1941 (laws 1941, vol. 1, p. 557) makes it a misdemeanor for any "war defense contractor" to discriminate against any citizen of the State because of his race or color in hiring of employees or in "training for skilled or semiskilled employment."

NEBRASKA

Chapter 114 of the laws of 1943 makes it a misdemeanor for any person who supplies war supplies to the State or to the Federal Government to refuse to employ a qualified citizen because of his race, color, creed, religion, or national origin.

MINNESOTA

Chapter 238 of the laws of 1941 requires each contract on behalf of the State or any of its political subdivisions to contain a provision obligating the contractor and his subcontractors not to discriminate against citizens of the United States in the hiring of common or skilled labor in the performance of such contracts by reason of race, creed, or color.

KANSAS

Chapter 265 of the laws of 1941 forbids any labor organization (except those subject to the Railway Labor Act) which discriminates against any person or excludes him from membership because of his race or color to act as a collective-bargaining representative in the State.

PENNSYLVANIA

The Pennsylvania State Labor Relations Act (ch. 294 of the laws of 1937) contains a provision which in effect denies the benefit of the act to any labor organization which denies a person membership because of race, creed, or color. The Pennsylvania State Labor Relations Act is modeled upon the National Labor Relations Act.

RECENT EDITORIAL COMMENT ON F. E. P. C.

[From the St. Louis Post-Dispatch of May 27, 1944]

F. E. P. C. has been the instrument of the Federal Government in seeking to eliminate unfair employment practices on the part of any contractors doing Government business.

It is a problem of Nation-wide, not South-wide, interest and concern, because such practices encourage abuse of minorities everywhere.

The only political issue involved is whether a great democracy will blink at or try to stamp out discrimination, a crime for which we have indicted Nazi Germany.

[From the Birmingham Age-Herald of May 26, 1944]

As for the F. E. P. C., this newspaper has never considered that agency the terrible

menace some have represented it as being. There have been and are, unquestionably, problems of discrimination against minorities in this country. This discrimination obviously can make the Nation's acute wartime manpower problem more difficult. That the Federal Government should strive to mitigate such problems is an entirely understandable, if not imperative, undertaking. Not always has the F. E. P. C. acted wisely. But the general purpose underlying it is sound.

[From the Christian Science Monitor of June 5, 1944]

The Committee can stand on its own merits. Its officials have proceeded cautiously and conscientiously in a highly charged atmosphere and have encountered remarkably little trouble. Usually it is only necessary for a Committee examiner to remind an employer or labor organization of its responsibilities under the President's order. The bulk of 744 cases satisfactorily adjusted in the past half year were handled in this manner. Only five cases have reached the stage of public hearing under the present Committee.

An adequate appropriation for the F. E. P. C. should be passed.

[From the Washington Evening Star of March 10, 1944]

For there should be such an agency, created by act of Congress and charged with the mission of working toward the removal of race prejudice, especially those prejudices which bar the Negro from economic opportunity and advancement.

[From the Washington Post of June 13, 1944]

F. E. P. C.'s orderly, understanding approach to labor problems of this nature will be needed more than ever when we encounter the problems of demobilization and reconversion. For in this period discrimination can create chaos. If whole classes of men are denied an opportunity to earn a living because of the color of their skin, they will become desperate and dangerous.

EQUIPMENT FOR AMERICAN FARMERS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter relative to the provision of farm equipment for American farmers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator ROBERT REYNOLDS,

United States Senate, Washington, D. C.

DEAR SENATOR: I was interested in the newspaper account of your investigation of farm equipment, and I certainly agree with you that the American farmer is not getting a fair break.

My business is with the wholesale hardware and mill supply people, and I can tell you from my actual experience that there is a very definite shortage of all kinds of farm-tool handles.

If you want to check on this chaotic condition, get in touch with the American Fork and Hoe Co. of Cleveland, who are the largest manufacturers of agricultural hand tools, and also with the Union Fork and Tool Co. of Columbus, Ohio. Then, check with some of the shovel manufacturers like the Ames-Baldwin-Wyoming Co. of Parkersburg, W. Va., and the Wood Shovel and Tool Co. of Piqua, Ohio.

A couple of large independent manufacturers of handles are the Bruner-Ivory Handle Co. of Hope, Ark., and Hartwell Brothers of Memphis, Tenn., or if you want to go further, check with some of the wholesale hardware houses, several representative ones being

Janney-Semple-Hill & Co., of Minneapolis, Minn.; the Marshall-Wells Co., of Duluth, Minn.; Paxton & Gallagher Co., of Omaha, Neb.; Blish, Mize & Silliman Hardware Co., of Atchison, Kans.; the W. Bingham Co., of Cleveland, Ohio; and wholesale hardware houses that you are probably acquainted with in the South. They will all tell you that they cannot get 10 percent of the agricultural handles that they want; that farmers actually are not in a position to repair their tools; there are no long shovel handles to be had, and it is too late now to do very much for this season's business.

This condition is due to several factors:

First, the enormous quantity that is going to lend-lease. I understand that the British Government has requested, for instance, one item of 3,000,000 shovel handles, which as I figure it, would be one shovel handle for every ninth person in the British Isles.

Of course, the demands of the Army, Navy, and other Departments have been enormous.

Strange as it may seem, these manufacturers can get the steel with which to make the tools but cannot get the handles.

Another place you could check, which would be a very good cross-section, would be Sears, Roebuck Co. and Montgomery Ward & Co., here in Chicago.

The handle industry was a low-paid industry and when the Government put war plants down South, the farmers and workmen stopped cutting timber and took jobs in war plants at four or five times per hour more than they had ever made before and, with the ceiling prices on handles, it has been impossible for the handle manufacturers to pay these wages and consequently they are running with a smaller force and a very inefficient force, and then the War Production Board gives high ratings to lend-lease and the armed services, so that there is nothing left for our farmers.

If there was some coordination between the O. P. A. and the War Production Board, when a condition like this becomes chaotic, then probably it could be straightened out.

What difference does it make to a farmer whether he pays 10 cents or 15 cents more per handle, if he needs it for his work?

It might make some difference if the price of sugar went up 5 cents per pound because sugar is consumed, but when a farmer buys a handle, it will last for one or two seasons and the cost is immaterial.

Actually some handle factories have closed down because they cannot operate and even break even at the ceiling prices.

I know all of these things to be absolute facts and thought you would be interested in them.

Of course, a lot of us today don't like to have our names mixed up in these matters, because of possible recriminations but in my case I happen to have a boy who is a prisoner in Germany and I want to see this war won and some of the red tape of Government done away with.

Yours truly,

HELP FOR AMERICAN CITIZENS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, a letter I have received relative to help for American citizens.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREENSBORO, N. C.

Senator ROBERT R. REYNOLDS,

DEAR SENATOR: At a time like this I hate to ask you to read a letter from me, but I feel like the time has come for me to write it and I do hope you will spare a few minutes on it.

I am a widow, just past 50. I have a daughter 14 years of age, she is in high school

and I long for her to finish. She wishes to go on to woman's college; this I cannot do unless it is made possible by other means. Sometimes I find it hard to send her on to school now. My husband died almost 7 years ago. Since then I have not had work only keeping children, sewing, and laundry work. I am not able to stand up in a store or factory and do hard work. When I ask for office work, as that is what I did in my early years, they say I am too old, so that is how it goes everywhere. I tried hard to get in a day nursery but I had to have a college degree to work in the kitchen. In the school they want colored help.

My husband was a veteran of World War No. 1. He also carried social-security insurance. From this we do not get anything. When so much is being done for our soldiers, sailors, marines, and so much for their families; yes, and we have money here in the United States of America to send to other nations, why can't a widow and a child of a veteran of that other war know a little pleasure? There are only a few children of that war who are not self-supporting. It would not break the Government to pension those few. In the community I live are over 900 children in grade school, over 200 go to high school, and in all these I do not know of but four who are children of veterans of War No. 1.

Almost all United States Senators, State senators, our good President, and Mr. Willkie said there would be a pension for widows and orphans of War No. 1 veterans. What became of it? What became of social security? We can't help when my husband died as it was just a little while too soon, so I'm told. Soldiers' and sailors' wives across the street tell us over and over how cheap they get their groceries, of all the bonds they have, and my daughter who I have reared as near right as I know how, told me with tears in her eyes, as she was afraid I would not like it she raised her hand in school saying we had bought a bond, when we don't even have any. We can't as it is all we can do to pay taxes on our little home.

It has been 25 years since that other war was over. I worked hard in those days and did everything I could, as young wives are doing now, but I did not think it would all be forgotten so soon. I do hope you will find time to give this a little consideration. I know there is much to be done now, but these servicemen and their wives and children are young, and my life is almost spent. If I was able and could see my way I would not ask this. If I do justice by my daughter I will have to ask some aid of some kind. I, as well as the few others, will be grateful if you will introduce a bill in Congress, or I better say just mention it and see what becomes of it.

I truly thank you, Senator.

AMERICANISM

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I have received on the subject of Americanism.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator ROBERT RICE REYNOLDS,

Senate Office Building,

Washington, D. C.

DEAR SENATOR: Reading some of your recent speeches, it appears to me that you may be the man who will succeed in bringing Washington back to Washington. And if ever there was a time when the American people needed to follow the advice and to cling to the political philosophy of the Father of their Country—that time is now.

Your speech, delivered on the floor of the Senate and printed in the CONGRESSIONAL RECORD of March 7, 1944, revealing the amount of material scheduled to be shipped to European nations when our own farmers are "begging for farm machinery and farm equipment," should be printed as a booklet and a copy sent to every United States citizen. Maybe, then, many now-slumbering Americans would arouse themselves and demand that Washington be returned to Washington and that all the "internationalists," Communists, crackpots, and other screwballs who have been giving away things produced by the sweat of Americans and raiding our Treasury in order to make safe the treasuries of the foreign powers they love better than they do our country, be kicked out of Washington and replaced by patriotic Americans who believe in America first in war as well as in peace, and as well in the post-war world as in the pre-war world.

Your radio address—Keep America Free—delivered over Mutual Broadcasting System on February 17, 1944, was another get-Washington-back-to-Washington classic. It is to be hoped that millions heard it and were inspired by its spirit of real Americanism. We have had so much foreign propaganda poured upon us from all sources that a speech such as your Keep America Free is both refreshing and encouraging. Perhaps, after all, this great independent Republic of the United States of America will emerge safe and sound from the long, long nightmare which has not only confused but frightened the intelligent, thinking element who have been misled, misinformed, and otherwise abused by some of the leaders in whom they placed the most confidence.

But if America does emerge safe and sound from the long nightmare with which it has been afflicted, it will be because men of your courage and caliber hold firm to the wheel of the ship of state and steer it carefully through the coral reefs of communism, and other foreign isms, that even now threaten to destroy it from underneath as it rides in both troubled and treacherous foreign seas of internationalism, laden with the hopes, the riches, the very lives of the people of America.

How tremendous is the responsibility of each and every Member of the United States Senate and of the United States Congress. The welfare of more than 135,000,000 great people rests in the hands of their Senators and Congressmen. The existence of this Nation as a Christian, independent Republic is dependent in this dark hour upon the loyalty and the courage and intelligence of the Members of their two representative bodies—the House and the Senate. God help them to eliminate all thoughts of self during these dangerous hours and to fight to retain for the American people that which was founded for them by other men of courage and foresight—an independent Republic of free men and women who fought to cast from themselves the chains of European trickery, treachery, and economic slavery.

Millions of Americans, confused by foreign propaganda (much of which has been and is being spread by home-grown totalitarian-minded radicals as well as by aliens and foreign agents) look to patriots like you, Senator REYNOLDS, to lead them out of the blackness of alien intrigue back into the light of American honesty and liberty. Many millions of Americans, harassed by the rules and regulations clamped upon their daily lives by an army of stupid and inefficient bureaucrats, pray for deliverance from this un-American monster which is making them miserable of mind, but which, more seriously, is robbing them of both time and energy so badly needed to be given in full measure to America's war efforts. Most bitter of them all is the pill millions of Americans are forced to take every time leaders in whom they placed their trust and confidence show preference for the future welfare of the peo-

ples of foreign nations (whose lives and nations to save our boys are giving their lives by the thousands) and indifference for the future welfare of America and for the people of America who are sweating and sorrowing and bleeding and dying, as well as paying most of the astronomical costs of the war, in order that liberty all over the earth, and our form of government in this part of the world, may continue to live.

Thank the good God, to whom we pray for peace and for understanding among all peoples, that there are men in our United States Senate like you to whom we can look to fight for us to preserve our American Constitution, our American independence, and all of the great principles and institutions upon which this Nation was founded and which enabled it to achieve the leadership of all other nations and, at an hour of terrible crisis, to come forward with its riches and strength to save civilization from destruction for the second time.

Thank the good God, against whom Communists and other totalitarian-minded atheists would have us turn, that there still are Americans of your intellectual stability in the United States Senate upon whom we, the American people, can depend to protect our ship of state from the scuttling gangs of aliens and alien-minded opportunists have planned for it.

Thank the good God, and His Son to whose principles it might be well for many Americans to return before it is too late for themselves and for this Christian Nation, that there still remain in the Senate of the United States men like you, Senator REYNOLDS, who have been fighting and who will continue to fight against an army of aliens and alien sympathizers and coddlers, to get Washington back to Washington.

Well, Senator, your speeches, which I have read more than once, inspired me to write the above. How does it really look there? Do you think we ever can get Washington back to Washington? I pray daily that such a thing will come to pass, that not only will the American people awaken to the dangers which confront them, but that our Senators and Congressmen, en masse, will awaken to their American responsibilities and save us from this international so-called New Deal and give us just a plain, old-fashioned American clean deal.

I noticed that your letter from a group of your friends in Hollywood got a rise out of Drew Pearson on his program of last Sunday night. Winchell's wail also sounded as though he was a bit disturbed. I have noticed with interest MARTIN DIES' attack on Winchell, Hillman, Carlson, and company. I hope he gets somewhere with it.

In the meantime keep pounding in order that your example will set other Americans to thinking and working and helping to "get Washington back to Washington." That ought to be a good slogan for the Republican Party or for a nationalist party.

With kind regards to yourself,
Most sincerely,

SUMMARY OF LEGISLATION PASSED BY SEVENTY-EIGHTH CONGRESS, SECOND SESSION

Mr. BARKLEY. Mr. President, I ask unanimous consent that there may be printed in the RECORD a summary of legislation passed by the present session of Congress, and data relating thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXEMPTION OF INSURANCE COMPANIES FROM ANTITRUST LAWS

Mr. O'MAHONEY. Mr. President, during most of the present session of Congress there has been pending before

the two Houses a bill to exempt the business of insurance from the anti-trust laws. That bill was passed by the House of Representatives yesterday, and is now in the Senate, and has been referred to the Committee on the Judiciary.

By reason of the pendency of that measure, there has been a great deal of discussion in the press of the country, and particularly in the insurance press, in which implication has been made that those of us who oppose this legislation are desirous of bringing about Federal regulation and supervision of the insurance business as a substitute for State regulation.

Four years ago, when the Presidential campaign of 1940 was beginning, the same statement was made. I had occasion, because I happened to be the Chairman of the Temporary National Economic Committee, which had conducted a prolonged study of life insurance, to address the American Bar Association at its annual meeting in Philadelphia. In my talk to that organization I stated in words of one syllable that I was not in favor of doing away with State regulation of insurance.

I have noted with much interest that in the recent dissenting opinion of Mr. Justice Jackson of the Supreme Court in the case of United States against Southeastern Underwriters' Association et al., Justice Jackson incorporated a note in his opinion, which I desire to read. The note is No. 12, and reads as follows:

The last agency to investigate insurance problems was the Temporary National Economic Committee. It made no recommendation of Federal control. Its chairman, Senator O'MAHONEY, after reviewing carefully the problems caused by the concentration of economic power in the hands of the insurance companies and the abuses of the business, said:

"Therefore I say again that personally I would not support any law that would undertake to do away with State regulation of insurance, and there never has been suggested to me or to any member of the T. N. E. C. or to the committee as a whole any thought of doing away with State regulation or imposing Federal supervision."

I have read the conclusion of my statement, and the full address may be found on page 913 of volume 26 of the American Bar Association Journal.

Mr. President, I desire to ask unanimous consent to incorporate as a part of the RECORD at this point the recommendations with respect to life insurance which were made by the Temporary National Economic Committee, popularly called the Monopoly Committee.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

1. Insurance commissioners should be appointed by a responsible executive (in all cases subject, of course, to confirmation by the proper State body) and their selection should only be made with regard for the appointee's experience and qualifications.
2. The tenure of office of the insurance commissioner should be increased substantially and insofar as possible competent commissioners should be continued in office regardless of their political affiliation.
3. The salaries of insurance commissioners should if possible be substantially increased.
4. Insurance commissioners should not be obliged to undertake any duties other than

the regulation and supervision of insurance companies.

5. There should be substantial increases in the budget for insurance departments of most States.

6. The personnel of most insurance departments should be increased. The work of an insurance department should be undertaken only by full-time qualified employees whose pay is sufficient to make them conscious of their responsibilities and free from insurance company or political influence. The employment of special outside examiners should be discontinued. The development of a civil service in State insurance departments is highly desirable. Companies should no longer be required to pay the salaries of examiners. If they must be charged for examination the necessary amount should either be collected by a lump-sum charge set in advance and paid by the company directly to the State treasury or preferably be collected through an appropriate State tax.

7. State insurance supervisory officials should strengthen examination procedures particularly in respect to companies domiciled within their State. The desired improvement would include more frequent examinations in some States, more competent examiners, greater publicity to and full release of all examination reports, and the undertaking of examination which would give greater attention to the insurance operations as contrasted with the purely financial aspects of the business.

8. Closer regulation and supervision of agency practices is required. Present laws for licensing agents are all too frequently administered purely as revenue measures. Agents should be required to show more adequate training, better prospects for financial success, and greater knowledge of the life-insurance business. Furthermore, State supervisory officials should give more attention to such matters as company training courses, sales contests, compensation arrangements, etc.

9. The number of policy forms should be reduced, and greater attention given to establishing standardized policy forms or policy provisions acceptable in all States. The present confusion in this field is most undesirable.

10. State supervisory officials should more closely scrutinize activities of officers and directors and generally make more thorough checks on the competence and activities of company managements.

11. The life-insurance business should be conducted on a competitive basis, with emphasis on management efficiency rather than sales promotion. No intercompany agreements should be permitted the effect of which is to prevent any company from developing actually sound service and sales techniques.

12. A fundamental change in the conduct of industrial insurance should occur. Otherwise, its eventual elimination may be necessary. The primary responsibility for the change lies with the companies issuing such insurance and the States which supervise them.

[Approved without objection.]

In addition to the above, Commissioner Sumner T. Pike, of the Securities and Exchange Commission, personally recommends a liberalization of investment laws to permit life-insurance companies to invest a relatively small percentage of their funds in common stocks which would stimulate healthier financial structures and have a wholesome effect on the economy. Accordingly, he suggests that the respective States give consideration to liberalizing their laws in this direction.]

Without interjecting the Federal Government into the general field of insurance regulation, it is possible to utilize Federal pow-

ers in a direction which will strengthen State regulation and make it more effective. There are admittedly areas where State regulation is severely handicapped by reason of the interstate character of the life-insurance business. If forthright steps are not taken now to plug the gaps where State regulation cannot do an effective job and to prevent relaxations of regulatory standards in several States such as have occurred in the past to the disadvantage of numerous policyholders, State regulation may eventually decay and all-inclusive Federal control will be required. Accordingly:

1. A Federal statute is recommended preventing life-insurance companies from using the mails, the radio, or other means or instrumentalities of interstate commerce to sell insurance in a State where they have not been lawfully admitted to do business.

2. The National Bankruptcy Act should be amended to permit any State insurance commissioner to apply to the appropriate United States district court to bring about the liquidation or reorganization of a life-insurance company. If a company should be adjudicated bankrupt, the designated Federal agency or its nominee should be appointed to act as conservator and advisor during the readjustment of the company's affairs.

3. Officers and directors of insurance companies operating in more than one State should be prohibited by Federal statute from using their positions for improper personal gain either directly or indirectly. The statute should also declare life-insurance officials not only in fact but in the eyes of the law trustees required to adhere to the strictest fiduciary standards, and appropriate civil and criminal penalties should be provided.

4. It is recommended that an appropriate committee of Congress or some designated agency of the Federal Government be directed to conduct a thorough investigation of all forms of fire, casualty, and marine insurance.

Mr. O'MAHONEY. The recommendations do not take up a great deal of space, and I shall not attempt to read them all at this time inasmuch as consent has been granted to print the full number in the Record.

Nowhere among the recommendations is there to be found any suggestion of doing away with State regulation of insurance. Any statements to that effect which may be current are based upon a complete misunderstanding of what the committee has done, and a complete misunderstanding, if not misrepresentation, of what I have personally said on a great number of occasions.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HATCH. My only reason for asking the Senator from Wyoming to yield is that I shall soon be compelled to leave the Chamber. I have in mind generally what the Senator from Wyoming is about to say, and I rise at this point merely to say that the so-called insurance bill which has been before our committee—and the Senator from Wyoming and I are members of the subcommittee—has received more pressure, and there have been more efforts to force it through a committee of the Senate and through this body, than in the case of any bill which has come to my knowledge since I have been a Member of the Senate.

I do not wish to be critical at this time. Some later day I may be critical.

Certainly I do not wish to criticize the authors of the bill, or the House of Representatives which passed it yesterday. Suffice it to say that I consider it the most ill-advised, the most improperly worded, and the most selfish measure which has come to my attention.

My reason for interrupting the Senator from Wyoming—he does not know what I am about to say—is that, in my opinion, the bill would have been reported by the Senate Committee on the Judiciary, and, in my opinion, it would have been passed by the Senate as it was passed by the other House yesterday, had it not been for the almost single-handed efforts of the Senator from Wyoming.

In this respect I believe the Senator from Wyoming has served his country and has justified his reelection to this body by the people of his State, if he had never taken any other action than the one which he took in connection with this matter. He has been vigorous in opposing an ill-advised and selfish bill. The point he has been making should be stressed that it is not his view, as it is not my view, and, so far as I know, is not the view of any Member of the Senate, to seek the creation of any Federal bureau for the regular control of the business of insurance.

I have just observed that the Senator from Michigan [Mr. Ferguson] has entered the Chamber. I wish to say that he was most helpful. I believe that all of us entertained exactly the same views. There are certain vicious and obnoxious and monopolistic practices which should be curbed, but, on the other hand, there are certain very necessary agreements which should be permitted for the welfare of the insurance business and of the country. The attitude of the Senate committee, the attitude of the Senator from Wyoming, and the attitude of the Senator from Michigan is that we are certainly not going to set up Federal regulation of insurance. We believe that the vices associated with the business should be curbed, but we also believe that necessary agreements should be permitted.

The Senate committee will endeavor to frame a measure which will continue the regulation of insurance by the States but will not forfeit the right of the Congress to prohibit vicious and evil practices on the part of any business, insurance or otherwise.

I thank the Senator from Wyoming for permitting me to interrupt him, but I wished to pay him the compliment which I have paid him, because he is entitled to it.

Mr. O'MAHONEY. The Senator is very gracious.

Mr. FERGUSON. Mr. President—The ACTING PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. O'MAHONEY. I shall be glad to yield to the Senator from Michigan, but I should like first to conclude the statement I was about to make when the Senator from New Mexico [Mr. Hatch] asked to interrupt me. Mr. President, I have asked unanimous consent to have printed in the Record the recommendations which were made by the T. N. E. C.

I desire to read only one or two of them, and these I select because they illustrate the purpose of the monopoly committee to sustain and strengthen State regulation rather than to undermine it. This was one of the recommendations:

A Federal statute is recommended preventing life-insurance companies from using the mails, the radio, or other means or instrumentalities of interstate commerce to sell insurance in a State where they have not been lawfully admitted to do business.

Obviously, that was a recommendation which would strengthen the State regulation.

2. The National Bankruptcy Act should be amended to permit any State insurance commissioner to apply to the appropriate United States district court to bring about the liquidation or reorganization of a life-insurance company. If a company should be adjudicated bankrupt, the designated Federal agency or its nominee should be appointed to act as conservator and adviser during the readjustment of the company's affairs.

Bankruptcy legislation, under the Constitution, is within the Federal power. The public interest in the liquidation of insolvent interstate companies can be protected by Congress and State regulation can thereby be strengthened.

3. Officers and directors of the insurance companies operating in more than one State should be prohibited by Federal statute from using their positions for improper personal gain either directly or indirectly. The statute should also declare life-insurance officials not only in fact but in the eyes of the law trustees required to adhere to the strictest fiduciary standards, and appropriate civil and criminal penalties should be provided.

Mr. President, I have only one more request.

Mr. DAVIS. May I inquire what the Senator from Wyoming was reading from?

Mr. O'MAHONEY. I was reading from the recommendations of the Monopoly Committee, the T. N. E. C.

Last Friday the editor of the *Spectator*, an insurance publication published in the city of New York, came to Washington to interview me with respect to this problem of insurance. I dictated a statement to him which has been printed, I am informed, in the issue of the *Spectator* which went to the press on Wednesday night, and which is now on the stands. I shall read the first paragraph of this statement and then I shall ask unanimous consent that the remainder of it may be printed in the *CONGRESSIONAL RECORD* as a part of my remarks:

Opportunity is now presented to insurance leadership to perform a great service not only for those engaged in the business and those who are the purchasers of insurance, but for all industry. If private enterprise is to be maintained after the war it can be maintained only upon the basis of the abandonment of monopolistic practices by private groups. Whenever any combination of businesses, no matter what they are, undertakes to set up a reserve within which only the members of the combination can do business and from which all others are excluded, they create the conditions which bring about a demand for the invasion of that field of business by Government.

In the insurance controversy, a false issue has been raised from the very outset by the small group of fire-insurance representatives who have advocated repeal of antitrust laws insofar as the whole business is concerned. Their effort has been to convince the country that failure to exempt insurance from the antitrust laws would put an end to State regulation. That is definitely not the case.

Mr. President, I ask unanimous consent that the remainder of the statement may be printed in the *RECORD*.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The remainder of the statement is as follows:

In the constitution and general rules of several of the fire insurance boards, there are to be found provisions like this one taken from the constitution of the Board of Fire Underwriters of the Pacific—"No member or its representative in any capacity shall accept business, whether as reinsurance or otherwise from a company not a member of this board." No State insurance law requires any group or combination of insurance companies to make or enforce any such restrictive provision. It constitutes a denial, without authority of any State law, of the right of members to accept legitimate business and it is an obvious restraint of trade imposed by the combination on its competitors who are not members of the combine. This illustrates what can be done in the insurance field by a system which will maintain State regulation of insurance and supplement that regulation through the antitrust law, prohibiting obviously unsound practices which no State requires.

There is a vast difference between the granting of a congressional license to those who are doing an insurance business to engage in monopolistic practices in the field of interstate and foreign commerce and the enactment of a Federal law which would permit insurance companies to form such combinations and associations as are essential to the maintenance of a solvent insurance system. I would be willing myself to cooperate in the drafting of appropriate legislation to permit the insurance business to continue joint rating bureaus, underwriters associations and other groups, the function of which is to bring about helpful cooperative action. But I know that if the insurance industry should insist upon obtaining the right to indulge with impunity in combinations which are intended to restrain legitimate insurance businesses, or in conspiracies which are intended to monopolize or restrain the insurance business, the only result will be irreparable injury to the insurance business and a sharpening of the demand for all-out Federal regulation.

The trend toward big government both here and abroad, has resulted from obvious abuses in business and industry. The only way to stop that trend is for business itself to take the lead in the abolition of abuses.

I am asking the insurance industry to recognize the fact which all the publicity to date has studiously avoided—namely that the decision of the Supreme Court in the Southeastern Underwriters Association case was not directed against State regulation but against judicial authorization of insurance combinations "to coerce, intimidate, and boycott competitors and consumers." As the majority opinion forcefully put it, there can be no contention that the 75 years of judicial support of State laws to regulate insurance can be interpreted as meaning "that any companies have acquired a vested right to engage in destructive business practices."

A reading of the decisions rendered on June 5, 1944, by the Court in the *Polish National Alliance* case and in the *Southeastern Under-*

writers Association case, including the dissents in the latter, can leave no doubt in any open mind that the business of insurance is commerce and when carried on among the States and with foreign governments is a business which is within the commerce clause.

A unanimous Court in the *Polish National* case held that the business of insurance affects interstate commerce to such a degree that there can be no doubt that the Federal laws respecting labor practices apply to this business. It would have been self-contradictory if the Court at the same time had said that the same Congress which had the authority to raise the standards of labor in the insurance business did not have authority to prevent the destruction of the insurance business by monopolistic practices.

Each one of the dissenting justices clearly stated in his dissenting opinion that insurance is commerce. Chief Justice Stone in his opinion said, in the very first paragraph: "I do not doubt that transactions across State lines which often attend and are incidental to the formation and the performance of an insurance contract, . . . are acts of interstate commerce subject to regulation by the Federal Government under the commerce clause." I ask the insurance industry to take note of this sentence from the dissenting opinion of the Chief Justice. It is a warning that if monopolistic abuses are not abandoned in the industry, the time will come when this power, this Federal power, which the Chief Justice recognizes will be used to regulate insurance.

Mr. Justice Frankfurter, joining in the opinion of the Chief Justice, declared: "The relation of the insurance business to national commerce and finance, I have no doubt, affords constitutional authority for appropriate regulation of the business of insurance—certainly not to a less extent than congressional legislation touching agriculture." Finally, Justice Jackson, the third dissenter, said: "I am unable to make any satisfactory distinction between the insurance business as now conducted and other transactions that are held to constitute interstate commerce."

There is no legal justification for the contention that the application of the antitrust laws to the business of insurance destroys State regulation as the Attorney General has pointed out in his statement issued since the decisions were handed down. The question of whether or not combinations in restraint of trade are prohibited in the insurance business by the antitrust laws was never passed upon by the Supreme Court before June 5, 1944. There was, therefore, no reversal by the Court.

Congress has never used all of the power given it by the Constitution. The mere fact that it has not used a particular power does not constitute any abandonment of that power. A dual system for the regulation of insurance by the States and the prevention of monopolistic practices by the Federal antitrust laws is perfectly constitutional and perfectly reasonable. Indeed, Justice Jackson pointed this out in his dissent when he said: "Congress also may, without exerting its full regulatory powers over the subject, and without challenging the basis or supplementing the details of State regulation, enact prohibitions of any acts in pursuit of the insurance business which substantially affect or unduly burden or restrain interstate commerce."

I am confident that insurance executives who know perfectly well to what extent foreign commerce is controlled by the groups which control reinsurance can, if they will, take the lead now in the establishment of a constructive insurance system which at one and the same time will protect State regulation, maintain the insurance industry on a solvent basis, and break down the traditional restrictive practices which have served

not only to establish a tendency toward monopoly in the United States but to make it difficult for American business to compete for world trade with the business leaders of the British Empire.

Now that we are undertaking to establish world commerce in the air, it is more important than ever that the power of insurance to stimulate, maintain, and protect the foreign commerce of the United States should not be weakened.

Mr. O'MAHONEY subsequently said: Mr. President, by direction of the subcommittee of the Judiciary Committee which has been studying the insurance problem, I ask unanimous consent to have printed in the Appendix of the Record an important statement made by the Attorney General of the United States, Mr. Francis Biddle, to the subcommittee this afternoon. It deals with the attitude of the Department of Justice toward the insurance companies in the light of the recent decision by the Supreme Court in the Southeastern Underwriters case. It is a declaration by the head of the Department of Justice that no new action will be taken by the Department for the prosecution of any cases pending an opportunity by the State, the Congress, and the insurance companies to digest the effect of the decision of the Supreme Court.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FERGUSON. Mr. President, will the Senator now yield?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, the subcommittee that has charge of this particular legislation met this morning and I am sure that we arrived at a better understanding as to what may be done regarding this bill. The Senator from New Mexico [Mr. HATCH] has expressed the prevailing sentiment, that none of us at that meeting this morning felt that there should be a bureau created in the Federal Government that would take over insurance. We had in mind, I am sure, and agreed, that that would not be a good thing for the insurance business. But certain things are essential, at least in the opinion of many of the States, and one is a rating bureau. Some of the States compel the insurance companies by law to have a rating bureau and others make it discretionary, as my own State, the State of Michigan, does. I believe there are two States that prohibit rating bureaus. Recently the Congress indicated its belief that a rating bureau is a good thing, because it passed and the President signed a bill providing for a rating bureau in the District of Columbia.

I, for one, have always opposed monopoly. I think that cartels and monopolies should not be permitted. However, the insurance companies in making rates find it necessary that they should have some kind of an agreement as to what is a fair rate. Under the law the States can regulate the rates. I, for one, believe—and I found agreement in the committee this morning on this point—that, as much as possible, regulation should be by the States.

However, there may be some vicious practices growing out of rating, which is believed, at least by some insurance companies, to be essential, that could not be permitted under Federal law. We do, however, find that for many years the States have had charge of the insurance business, and I for one want to say that I think many of the States have done a very poor job in regulating insurance. I think that if nothing else comes of the hearings before our committee, we may awaken in the minds of some insurance commissioners and the people back home that they ought to spend more time and effort in making rules and regulations which will eliminate any vicious practices from the insurance business. Some of them have taken for granted that if they have an insurance commissioner the business is properly regulated. I think that we here in Congress ought not only to encourage States regulating this particular business, but other businesses as well, because I believe that if regulation is needed it is better that it be done by those who are close to the people at home rather than by bureaus in Washington.

Mr. O'MAHONEY. Mr. President, if the Senator will permit me—

Mr. FERGUSON. I yield.

Mr. O'MAHONEY. It may be appropriate to remark at this point that the Convention of State Insurance Commissioners has within the week appointed a special committee to look into the matter and to make a report as I recall by the 1st of September.

Mr. FERGUSON. Mr. President, we do, however, find ourselves in this predicament: The insurance companies have the rating bureaus which can be considered, and I think rightfully considered now, a violation of the antitrust law, the Clayton and Sherman Acts. The Congress has no right even to suggest to the Attorney General what his action should be in relation to the rating bureau, for instance, and some other things which State laws require.

So the committee at about 4:30 o'clock today will have before them Mr. Biddle and afford him an opportunity to express any opinion he may entertain in order that those who are conducting this business may have a guide, or at least know the attitude of his Department while the committee is going along and investigating the bill.

I for one feel that we should work as speedily as possible, yet do as good a job as possible on the bill, so that when it reaches the floor it will have the mature judgment of all the members of the subcommittee and of the Judiciary Committee.

In the meantime, the Attorney General may advise as to what he does intend to do in relation to the Supreme Court decision, or the law as we now find it to be.

Mr. O'MAHONEY. Mr. President, I may add to what the able Senator from Michigan has very properly stated that Congress within 6 weeks has passed a bill providing for a rating bureau to be maintained in connection with the operation of insurance in the District of Columbia.

That bill was known to us; the pendency of the bill was known, and considered by the members of the subcommittee, although it came out of the Committee on the District of Columbia.

I can say to the insurance industry that the fact that that bill was passed without controversy is in itself an indication that the Congress does not regard, and certainly I do not regard, the institution of a rating bureau as a monopolistic practice. Combinations can be made for wholly beneficial purposes. My whole point has always been that those combinations which the insurance industry desires to make should have a clearance from some authoritative spokesman of the public interest.

TREATMENT OF THE INDIANA CORN AND HOG FARMER

Mr. JACKSON. Mr. President, I know that my distinguished colleague the Senator from South Carolina [Mr. MAYBANK] has something to present to the Senate, and I ask him whether he desires to have me yield to him. I should be happy to defer to him to take the floor for his remarks, and I proceed at the conclusion of his remarks.

Mr. MAYBANK. I am very grateful to the distinguished Senator from Indiana, but the few remarks I have to make I shall make at the conclusion of his address.

Mr. JACKSON. Mr. President, I realize that we are in the press of business in the Senate today in an effort to arrive at a point where the Senate may safely recess, but I must take time to make at least a brief statement with reference to a situation which, unless speedy and decisive steps be taken, will prove most devastating.

Indiana, like Illinois, and your own good State of Iowa, Mr. President, and some others in the Midwest, is what is generally called a corn-hog State. That is, we in the Midwest, in our rural areas, have continually emphasized the safeguards to the family-sized farm in all our agricultural thinking. We regard the family-sized farm as the ideal unit of country life.

The Indiana farmer especially, therefore, is forced, with others, to depend for his economic survival upon the vicissitudes of the market, experiments of government honestly applied for his relief, crop rotation and diversification, weather hazards, and the like. But there are always the hogs in the field or in the lot, either many or few. No Indiana farmer is happy without the thought that he can always fall back upon his hog crop in times when he needs ready cash.

There is no more patriotic citizen in this Republic than the Indiana farmer. He has given his sons to the wars. He has sent his daughters to the industries. He has bought War bonds. In war and in peace he has prospered his country by his industry. He has honored it by his integrity, and he has strengthened it with his loyalty.

Some time ago, officers of Agricultural Adjustment Associations, managers of Rural Electrification Corporations, field agents of Production Credit Associations,

county agricultural agents, local representatives of the United States Department of Agriculture, and community leaders, all urged the Indiana farmers to maintain a high rate of pork production, and do it as a patriotic duty. These farmers were honestly assured at the time that they would receive at least the Federal War Food Administration floor prices for their hogs. Relying upon these reassurances, the farmer did what he has always done. He cooperated in good faith. He has produced for the 1943-44 market one of the country's largest hog crops.

I cannot forego the observation that you yourself, Mr. President (Mr. GILLETTE in the chair) are from a corn-hog State, and you know something of the situation in which the farmer finds himself in the Midwest, when he gets his hogs ready for the market. I know, your colleagues know, and I should want the people of your good home State to know, the long hours you have devoted to the study of this hog problem.

I also see the senior Senator from Illinois [Mr. LUCAS] in his place, and I know he has cooperated with you and his other colleagues, and myself and he, too, is to be congratulated upon his great statesmanship and his contribution to this detail, a detail that is of vital concern to the farmers of Illinois, Indiana, and Iowa.

The farmer starts to town with his truckload of that which has consumed his corn and other valuable feed. His money, Mr. President, is in his truck body as he pulls into the stockyard. In good faith he has placed it there. He is firm in the conviction that he will be paid a floor price or better for these hogs upon duly established weight classifications. But when he is ready to unload his hogs, or when he has unloaded them, he finds he is no longer the master of his own plans. He has been in error in his mental calculations as to the amount of money he will have in his pocket when he pulls his truck out empty. He finds that he is the victim of circumstances beyond his control, and apart from his prudent, honest expectations. He can take his hogs back home, he can let them stand around the stockyards a day or so, wearing off weight, or he can take a price below the floor price established for the area and promised by the Government.

Practices of shifting weight classifications, forced intermingling of hogs of various weight classifications, and other devices bring the farmer to a place where weight classifications and corresponding floor-price guaranties are no longer a verity. The full discussion of methods used by which the farmer suffers must be left for amplification when there is more leisure and when the subject can be treated by men fresh from the scene at the stockyards, where all this actually occurs.

The fact is, the intent of the floor regulations is being evaded, and the farmer suffers. Pork products are retailed to consumers on the basis of O. P. A. ceiling prices, independent of prices paid to the farmer.

Packers are subsidized \$1.30 per hundredweight on all pork products slaugh-

tered regardless of weights to enable them to pay floor prices or better for live hogs. We do realize that the increased purchasing power of masses of our people have lowered the demand for cheaper cuts of pork. There can be no doubt that the pork crop may be too large, and I appreciate that these facts present vexatious factors in the solution of the problem.

I am not wise enough to say where blame should be placed. I do not criticize any particular person or class. I have appealed to the Secretary of Agriculture and to the War Food Administration, and I have found all these officials alert to the situation and apparently doing all they can to accomplish a remedy.

Mr. President, the reason I am taking the time of the Senate today is to call general attention to a situation, to a set of facts, to a disastrous condition of affairs. I express the hope and confidence that appropriate Federal authorities will stick to the task of correction.

We must keep faith with the hog producers by making the support prices apply to all weights of hogs, thereby eliminating "floor dodging." The farmer must have the assurance if packers resort to unusual practices not common prior to floor regulations, thereby securing unusual shrinkage in weight or otherwise evading the intent of the floor's objective, they will thereby be disqualified for subsidy payments. The hog-marketing system in Indiana must be further investigated to assure that all marketing practices are honest and the spirit of existing regulations be made the letter of their enforcement.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. LUCAS. The Senator from Indiana is making a very interesting and very constructive address to the Senate, and I sincerely hope that those in charge of the War Food Administration, who have been given authority by Congress to carry out this program, will heed the remarks of the able Senator from Indiana.

When the Senator speaks of an investigation, I wonder whether he means or suggests that the Congress of the United States, or some special committee set up by the Senate, should make an investigation at this particular time with respect to the conditions the Senator has so ably described in his address.

Mr. JACKSON. Mr. President, I am of the opinion that the farmers of the State of Illinois and of Indiana cannot wait for a special investigation to be made. This is a matter which can and should be handled by existing governmental agencies, agencies already established for the protection of the people of the Republic, and in this particular case established for the protection of the farmer. It is my opinion that we should not now undertake by means of a long and continued Senatorial or House investigation to determine what is clearly obvious to any man in the Federal departments who will go with the farmer on his truck to the stockyard and see what happens to him and his truckload of hogs.

So I say, in response to the distinguished Senator from Illinois, that I do not suggest any process of Senatorial or House investigation, but I do commend the present existing agencies for what they have done so far, and urge upon them vigorously and persistently to continue in an immediate and direct determination of what situations actually exist in the matter of hog marketing. That is what I plead for. Nothing less than that will save the hog farmers of Indiana.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. JACKSON. Yes; I yield to the Senator from Illinois.

Mr. LUCAS. I am very happy to obtain the response from the Senator from Indiana with respect to the question of a congressional investigation of this important subject. I concur in what the Senator has said, that something should be done immediately, and that we should not wait through the summer months for a long-winded congressional investigation to take place, with the holding of hearings in Indiana and Illinois and other States, for the purpose of calling farmers, packers, and other individuals before the committee to ascertain what the facts are, because the Senator from Indiana, the Senator from Illinois, and other Senators interested in this very vital question know now what the facts are. So do the individuals in the departments understand what the facts are. I say with all due deference to everyone, that the officials in the departments are making an honest attempt to solve this problem. It is a difficult problem. Under no circumstances should the Government fail the farmer in the support price that he is promised. I care about intermingling of weights. I care what the packers are attempting to do, assuming they are profiting at the expense of the farmer. Those in authority know how to find out whether that practice is going on, and to correct it at once.

The farmer has been asked repeatedly by the Government in this great crisis to produce the pork needed not only to feed the Nation, but the people of other nations. Regardless of the great number of hogs that are being produced, under no circumstances should the Government let that hog farmer down in view of the urgent pleas made from time to time.

The Senator from Indiana has done a real service in bringing this question squarely to the attention of those in charge of the administration of the program. We do not need a senatorial investigation of the question. The facts are as plain as the nose on one's face. Everyone knows what is going on. Those in the War Food Administration have their investigators in the field. They know that the hog markets are glutted.

Mr. President, recently when I was back in my home State of Illinois a farmer came to me and said that the market at Peoria was so overrun with hogs that it would take 30 days before he could deliver the crop of hogs he had raised that year. The farmer is not at fault for the existing situation. The

stockyard man in Peoria is not at fault. It is simply a question of failing to have the facilities to be able to market the hogs, and finally slaughter them in the way they should be. So the farmer had to take the hogs back home, and during the next 30 or 40 days, before he is able to deliver them, a great number of the hogs may go over the 270-pound mark, and then he is caught both ways as the result of that uncontrollable situation.

Under those circumstances, Mr. President, the farmer is entitled to all the relief that a grateful Government can afford, because the Government has initiated the program in the first instance, and rightfully so.

So far as a congressional investigation is concerned, however, Mr. President, in the humble opinion of the Senator from Illinois, it will only add chaos to an already confused condition. I think I understand about congressional investigations which are being conducted throughout the country. We have more investigations going on at this particular moment than at any time since I have been a Member of the United States Senate.

Everybody wants to investigate something. I wonder why? We do not need an investigation. I have listened to the testimony of representatives of cattle producers before the Committee on Agriculture and Forestry. We have had all kinds of minor investigations from time to time, upon every phase of the cattle, hog, and feed question. Everyone knows what the corn situation is with respect to the lack of corn. The facts now are known. If we string out a congressional investigation from now until the election in 1944 the farmer in my section of the country will still be without adequate facilities to take care of the hog situation which exists. I have hogs on my farms in Illinois, and I believe I know something about the problem. I am interested in the farmers of America. I do not say this egotistically, but I have been a Member of Congress for 10 years, in the Senate and in the House. During all that time I have been on the Agriculture Committee of one body or the other, and I believe I know the farmer's problem. The farmer wants to have something done immediately in connection with the hog situation. He does not wish to wait for a group of Senators and Representatives to come out to his section of the country, and travel to Peoria, Indianapolis, Omaha, or to some other place 50 or 75 miles away to listen to a great deal of testimony. He is too busy doing something else to be entertained by a group of Senators visiting his section of the country and doing all the talking.

I have been around some of these investigating committees. I have heard many of the witnesses testify. Senators usually do most of the talking, rather than listening to the witnesses testify. They make long-winded arguments from the time they arrive until they leave.

I am sorry I have taken so much of the time of the Senator from Indiana, but I am glad he agrees with me with respect to the question of investigation. I have seen many investigations, I have

watched their progress from the floor of the Senate, and from committee rooms. An investigation is based upon one predicate, and that is, that something relating to legislation must be reported. I should like to know how a committee of this kind could go into the States of Illinois, Iowa, and Indiana and bring back something in the way of legislation which would help the hog farmer at this particular time. He is suffering as the result of the facts which the Senator from Indiana has disclosed. It is simply not in the books. Not 1 investigation out of 10 ever reports any facts to the Senate with respect to legislation. I know what I am talking about, because I am chairman of the Committee to Audit and Control the Contingent Expenses of the Senate. Investigations are going on all the time. Obviously some are necessary—the majority are not.

I thank the Senator from Indiana for yielding to me. I am sorry to have taken so much of his time.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. BUTLER. I was absent from the Chamber when this eloquent debate started, but I gather that some suggestion must have been made as to an investigation. This is the first I have heard of it.

I also gather from the remarks of the Senator from Illinois that he already has all the answers to the problems which face the corn and hog producers, more especially the hog producers. I should like to get the answer to the situation in which the hog producer finds himself at the moment. He has been guaranteed a price by the Government. He is not getting it. What I want is the answer to that problem.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. LUCAS. What is the Senator going to do about it? Shall we fool along with an investigation from now until next Christmas?

Mr. BUTLER. I did not ask the Senator about an investigation.

Mr. LUCAS. That is what we are talking about.

Mr. BUTLER. I know nothing about an investigation; but the Senator from Illinois seems to have all the information now, and does not need an investigation. Therefore he should answer the question now. What are we to do?

Mr. LUCAS. We certainly do not need any investigation to know that the farmer cannot get his hogs to market or that the support price is faltering. That is common knowledge to all. That is what the farmer is interested in at this particular time. He does not want to listen to a group of Senators in the Midwest telling him how to get his hogs to market or that the support price is not being complied with.

Mr. BUTLER. Too many farmers are getting their hogs to market now, and are not receiving within two or three or four dollars a hundred of what the Government promised to give them.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I think the whole discussion has already passed the point. I was about to ask who has the floor.

The ACTING PRESIDENT pro tempore. The Senator from Indiana [Mr. JACKSON] has the floor.

Mr. JACKSON. Mr. President, I do not know what word the distinguished Senator from Nebraska [Mr. BUTLER] used in describing what is going on on the floor of the Senate. I thought he said "hullabaloo." I hope he did not use that word, because my distinguished colleague from Illinois [Mr. LUCAS] is entitled to something more complimentary than that.

Let me say for the information of the distinguished Senator from Nebraska that I took the floor in these last precious minutes to call the attention of the public and the Senate to the fact that the already established agencies for the protection of the farmer in the marketing of his hogs should have our complete confidence and support. I conclude with that statement.

The distinguished Senator from Illinois has made some extensive remarks, all of which I appreciate. I completely agree with that part of his remarks in which he said that the farmers in our hog-producing States cannot be helped by delay. Our farmers need help, not next December but next week. So on this last day of the session, which will probably be the last opportunity before we go home for a precious month or two, I wished to do all that lay in my poor power to call attention to what is being done, and to ask everyone who may take cognizance of these feeble remarks to give the established agencies for the protection of the farmer his full confidence and support. The Secretary of Agriculture himself is a hog farmer from my own State, and a careful laborer upon this problem. The Secretary of Agriculture and those in the War Food Administration should have our full support. Nothing less than that will save the hog farmers of Indiana.

PROPOSED ABOLITION OF ELECTORAL COLLEGE METHOD OF ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. GUFFEY. Mr. President, in the morning newspaper I read an Associated Press dispatch from Austin, Tex., which I shall now read:

UNPLEDGED ELECTORS WIN—FOURTH-TERM DEMOCRATS LOSE APPEAL IN TEXAS SUPREME COURT

AUSTIN, TEX., June 22.—The Texas Supreme Court today upheld the State Democratic Party's traditional system of selecting Presidential electors, who this year are not bound to support the party's nominees unless the national party meets certain demands.

The court denied application by pro-Roosevelt forces for a mandamus which would have compelled the party's executive committee to certify names of pro-Roosevelt electors, chosen at a rump convention, for printing on the July 22 primary ballot.

The regularly constituted convention has already certified its elector nominees to the secretary of state for printing on the general election ballot.

These electors are not bound to support the party nominees unless the national convention restores the two-thirds rule for nominating candidates for President and Vice President and unless it adopts a platform plank condemning the United States Supreme Court decision permitting Negroes to vote in Texas primaries.

After reading that, I decided in my own mind that the only step left for me at this time was to introduce a joint resolution changing the method of electing the President and Vice President, and doing away with the electoral college. I send the joint resolution to the desk and ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the joint resolution (S. J. Res. 143) was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That an amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three-fourths of the legislatures of the several States. Said amendment shall be as follows:

“ARTICLE —

“SECTION 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and together with the Vice President, chosen for the same term, be elected as herein provided.

“The electoral-college system of electing the President and Vice President of the United States is hereby abolished. The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin. Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

“Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall in the presence of the Senate and House of Representatives open all certificates and the votes shall then be counted. Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President. In making the computations fractional numbers less than one one-hundredth shall be disregarded unless a more detailed calculation would change the result of the election. The person having the greatest number of electoral votes for President shall be President. If two or more persons shall have an equal and the highest number of such votes, then the one for whom the greatest number of popular votes were cast shall be President.

“The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions, as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States.

“Sec. 2. Paragraphs 1, 2, and 3 of section 1, article 11 of the Constitution and the twelfth article of amendment to the Constitution, are hereby repealed.

“Sec. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.”

Mr. GUFFEY. In the last election the States which are now objecting polled more than 25 percent of the electoral vote of this country, and placed in the ballot box only a trifle more than 10 percent of the popular vote. I think it is well to call that to the attention of the voters of the country. I know that this joint resolution cannot be acted upon before we adjourn.

There are some defects in the present electoral college system. Its most apparent defects may be briefly summarized:

First. The electoral college is an unnecessary go-between between the will of the people and the final choice for President and Vice President.

Second. It is undemocratic in that it disenfranchises a large segment of the popular vote by ignoring the minority vote.

Third. It encourages nonvoting by minorities in States that are known to be definitely one party or the other.

Fourth. It can thwart the will of the people as it did several times in our past history. John Quincy Adams became President although Andrew Jackson received the majority of popular votes as did Rutherford Hayes when Samuel J. Tilden had the majority vote and as did Benjamin Harrison, although President Cleveland received the larger majority popular vote.

Mr. President, I ask that the joint resolution be appropriately referred.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 143) relating to the election of President and Vice President, was read twice by its title and referred to the Committee on the Judiciary.

Mr. MAYBANK obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. HATCH. Mr. President, I merely rose to make a remark which perhaps I have no business to make. I have lived within 10 miles of the Texas border all the days of my mature life. I know as many Texas people as I know New Mexico people. Recently there has been much discussion in the newspapers about betrayal of public interests, and that the electors selected will not vote according to the will of the people. With respect to that matter, I merely wish to make my own observation, which, of course, it is not binding on anyone. But, from what I have seen of Texas people, and I will

also say this with respect to South Carolina people, although I have not known as many South Carolinians—

Mr. MAYBANK. I thank the Senator.

Mr. HATCH. I do not care what electors are chosen. But if I know Texas people, and if I know southern people generally, they are honorable people. I should like to emphasize the fact that they are honorable. I am not worried at all about the present situation, because I think the electors in Texas and the electors in South Carolina will do the honorable thing and will vote according to the expressed will of the people. If they do not, Mr. President, I shall be a very sadly disillusioned and disappointed man. I would stake a great deal on the statement I have just made.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a few minutes?

Mr. MAYBANK. I yield.

Mr. CONNALLY. I was not in the Chamber during the address of the Senator from Pennsylvania, but I understand he made some allusion to the decision of the Supreme Court in the Texas election litigation. Of course the Supreme Court is a separate branch of government from the legislative branch, and we have no direct control over its judgment and decisions, which of course is proper under our system of government, and that principle is one for which I have fought on the floor of the Senate and elsewhere. However, I wish to say that the decision in that case, I feel sure, shocked the bar of the United States. It overruled a unanimous decision of the Court, as I now recall, which was rendered in 1935. The 1935 decision held that so long as the requirements as to qualifications of voters participating in a party primary were laid down by the party itself, the fourteenth amendment was not in any wise violated, because it was not State action.

I simply wish to enter my dissent here to the philosophy of the recent decision, which overruled the 1935 unanimous decision. The unanimous decision was participated in by many of the great jurists of the country, including the then Mr. Chief Justice Hughes, the present Chief Justice, Mr. Stone, the late Mr. Justice Brandeis, who could not be called either a reactionary or a conservative, and many other jurists of a liberal turn of mind. I wholly dissent from the decision in the recent case. I think it was an error. Of course, there is nothing we can do about it except to protest it. I simply wish the RECORD to show that I heartily disagree and dissent from the opinion of the Court in that case.

Mr. MAYBANK. Mr. President, I rose to speak on another subject, not knowing that the Texas decision would be discussed.

When the decision of the Supreme Court of the United States was first announced in reference to the Texas election laws it was my privilege as the junior Senator from South Carolina to speak in the Senate on that decision as to its effect upon South Carolina.

Of course, I would make no statement regarding the people of Texas, because

that is the business of their Senators and Representatives.

However, following my speech, I forwarded the decision by air mail to the Democratic leaders of South Carolina, at their request. The Governor then called a special session of the legislature, and the Legislature of South Carolina in special session repealed approximately 147 laws, so that our white primaries could in no way be affected by the decision of the Supreme Court of the United States.

My purpose in mentioning this is to show how the people of my State felt about the decision, because there was no dissenting vote in the legislature and not a dissenting voice during the 1 week of the special session in which we adjusted our laws to make certain that we would maintain our white Democratic primary.

When I spoke in the Senate I stated that, regardless of decisions or laws, we would maintain our white primary, and this we have done through the Legislature of South Carolina, which, in the end, under the Constitution of the United States, has the right to pass whatever laws be necessary regarding the elections of those to represent us either in Congress or the electoral college.

THE O. P. A. COTTON TEXTILE ORDER

Mr. President, I rose to speak in appreciation on the passage by the Congress of the United States of an amendment introduced by the distinguished senior Senator from Alabama [Mr. BANKHEAD], in connection with cotton and cotton textiles, providing for amendment of the price-control law. Of course, the conferees made some change in the amendment. In the Senate the vote was close. The fight for more than 2 months was hard, and the hearings prolonged. But I remarked to the distinguished senior Senator from Alabama, when he said good-bye to me yesterday, that in my judgment it was the greatest constructive piece of legislation passed by this body, so far as the home front is concerned, and he was responsible for it in the Senate. Cotton consumption had continued to decline from last year; the price of cotton had continued to go down. The shelves in the stores were bare of work clothes, and the type of clothing which is so necessary to the poor people of America was missing from the shelves.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MURDOCK. I merely wish to say that any accomplishment by the distinguished senior Senator from Alabama [Mr. BANKHEAD], to which the distinguished junior Senator from South Carolina [Mr. MAYBANK] has referred, could not have been made by him alone; and I wish to say that on the Banking and Currency Committee the Senator from South Carolina, who has just been speaking, the Senator from Arkansas [Mr. McCLELLAN], the Senator from Mississippi [Mr. EASTLAND], and other southern Senators certainly rendered yeoman service in their cooperation with the Senator from Alabama.

Mr. MAYBANK. Mr. President, I am very grateful for the kind words the dis-

tinguished junior Senator from Utah has uttered about those of us of the South. Certainly, we worked together.

Mr. President, again referring to the amendment and the final conference agreement, let me say a great service was rendered. When I have completed my few remarks I shall ask to have printed in the RECORD the conference agreement so that all may know of the great benefit which I hope will accrue to the cotton farmer, the textile worker, and the textile industry.

Mr. President, while the conferees were meeting and could not reach an agreement that would be satisfactory and I was told that the legislation faced a veto, let me say that a former distinguished member of this body whom I succeeded, the former Mr. Justice Byrnes, conferred with some of the conferees and with the officials of the other Government agencies and the President. Mr. Byrnes knows the cotton situation. He knows the problems of the cotton farmer. He knows the problems of the textile operators and well does he know the cotton textile industry. He has studied the industry in this country and studied the industry in many parts of the world, as a Senator from South Carolina.

His home is Spartanburg, S. C., which is in the center of the industrial section of South Carolina. In this section 90 percent of the print cloth of America is manufactured and nearly all of the industries are connected with cotton and textiles.

Finally, through Mr. Byrnes, the compromise was agreed upon, and it is my information that the President will sign the legislation. Therefore, Mr. President, extended hearings of our committee on the textile industry, on parity for cotton, and other important matters have been of great benefit. From these hearings and from the compromise finally reached legislation of great benefit has been satisfactorily agreed upon.

Mr. Byrnes as Senator in 1940 introduced legislation to swap cotton for rubber. Some was exchanged with England. If his thoughts had been carried out, our surplus cotton would have moved out and the synthetic rubber program could have been limited.

We in South Carolina appreciate Senator BANKHEAD's tireless fight and the assistance given and the work done by Mr. Byrnes through the executive department.

I am certain, Mr. President, that before we return after the recess we shall see in the stores of America more cheap cotton goods. I am certain that the decline in consumption, which has been so rapid for several months, will discontinue. I am in hope that the price of cotton will remain at parity so that the farmer, the worker, the textile operators, and the people throughout the United States may benefit.

Mr. President, coming from a State having the largest number of active cotton-textile spindles of any State in the Nation, I believed that it was my duty as well as my privilege to make the few remarks which I have made.

I ask that the portion of the conference report relating to cotton commodi-

ties and textiles be printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed RECORD, as follows:

AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 201 (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "Provided, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled 'An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 204. Section 8 (a) (1) of such act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 percent of the parity price" and inserting in lieu thereof "at the rate in the case of cotton of 92½ percent, and at the rate in the case of the other commodities of 90 percent, of the parity price." The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity

Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

THE ELECTORAL COLLEGE

Mr. PEPPER. Mr. President, I have seen the Senate joint resolution which has been introduced by the junior Senator from Pennsylvania [Mr. GUFFEY] proposing a constitutional amendment affecting the electoral college. It is my understanding that the joint resolution is a companion measure to a joint resolution introduced in the House of Representatives by Mr. CELLER, Democratic Representative from the State of New York.

I rose, Mr. President, to deplore the conditions and the situation which makes the occasion for the introduction of those joint resolutions. We of the South are concerned over the ominous character of certain actions and declarations which have recently been taken and made in the South. I do not rise to appear to transgress upon the territory of any State other than my own, or to endeavor to comment upon its internal affairs. But, Mr. President, when a State convention, calling itself the duly accredited Democratic authority of a great State, takes action, the inevitable legal effect of which is to make it impossible for the citizenry of that State, consisting of millions of people, to vote for the nominee of one of the major political parties of this country, even if that nominee be the President of the United States and the Commander in Chief of the Army and Navy, it is a very serious situation. It is a very dangerous threat to the institution of democracy itself.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. Does the Senator from Florida intimate that the electors from any State would have the temerity to override the wishes of the majority of the citizens of the State?

Mr. PEPPER. Mr. President, I am glad the able Senator from New Mexico has asked that question. Personally, I have the confidence which the able Senator himself expressed a few moments ago, that no elector would violate the rule and understanding which has been in existence for more than a century, that he serves in a representative and not in an independent capacity when voting for the President and Vice President of the United States.

Mr. HATCH. Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. HATCH. I would make a stronger statement than that. I would say that the electors of this Nation for more than 100 years have served merely in a clerical capacity in casting their votes on the basis of the ballots cast by their constituents in a general election.

Mr. PEPPER. The able Senator from New Mexico is absolutely correct in what he has said. I do not have before me the two instances which I have in mind, but I recall that in one of the two instances which the Library of Congress was able

to find for me, the electors acted contrary to the vote of the people relative to the Presidency and the Vice Presidency in a general election. It occurred with reference to Jefferson. One elector violated the directives of his State and voted for John Quincy Adams. In another instance an elector did the same thing. I do not now remember the details. But, Mr. President, for more than a hundred years no elector has taken the position that he was a part of a little oligarchy which had absolute power to thwart the will of the people of his State, and for his own purpose presumed to cast his vote for President or Vice President of the United States.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. I wish to say to the Senator from Florida, and to the people of the Southern States also, if what the Senator has said occurred should occur again, and if electors should choose to override the will of the people of the State, the people would change the Constitution quicker than it was changed by the repeal of the eighteenth amendment, because the people will not stand for that sort of thing.

Mr. MAYBANK. Mr. President, will the Senator from Florida yield to me in order that I may propound a question to the distinguished Senator from New Mexico?

Mr. PEPPER. I yield.

Mr. MAYBANK. I am very much interested in the discussion which is taking place. I wonder if the Senator from New Mexico has considered the question why it would be necessary to thwart the will of the people when the people themselves can vote only through their electors and those electors have told the people how they would vote. I wonder if the Senator from New Mexico has given any thought to that point. I may say to him that the voters do not vote directly for the President.

Mr. HATCH. No.

Mr. MAYBANK. The President's name is not on the ballot. The voters vote for electors and the electors are supposed to tell the people how they will vote in the electoral college.

Mr. HATCH. Mr. President, I do not wish to become involved in a discussion of any local situation, but I know that the people do not have a choice. They have no method of expressing their views. If an elector's name appears on the ticket he will be voted for because his name appears on the ticket, and no other method is provided.

If they take advantage of that situation, mark my words, Mr. President, the Constitution will not long remain, because the people of this country have a right to choose their President, and if any little group of men in any State deprive the people of that right, they will find themselves ostracized and the Constitution, if necessary, amended and changed.

Mr. MAYBANK. Mr. President, if the Senator from Florida will pardon me—

Mr. PEPPER. I yield.

Mr. MAYBANK. I should like merely to state to the distinguished Senator

from New Mexico that I thoroughly agree with him that the people have a right to vote for President of the United States. If the people want the right to vote for Mr. Dewey, if he is a candidate, they have that right; if they want to vote for President Roosevelt, if he should be a candidate, they should have that right. In the end the people should have the right to vote for one or the other or anyone they please under State laws.

Mr. HATCH. I merely state to the Senator from South Carolina that he has exactly stated my position. The people ought to have the right to vote their preference, and no man, no group of men have the right to deprive the people of their choice.

Mr. PEPPER. Mr. President, that is the point to which I wanted to address myself. No one can complain of a choice which is presented to the people, but under the situation which will prevail in some States, from what I have read in the newspapers, the people will not have the legal opportunity to vote for the nominee of the Democratic National Convention unless conditions prescribed by a State convention which chooses electors are complied with by the national convention. That simply means, for example, that if President Franklin D. Roosevelt should be nominated by the Democratic National Convention at Chicago, but the convention should not comply with the conditions prescribed in a certain State convention, there would be no way, so far as I can understand from press reports, by which the people of that State would have the right or the opportunity or the power to vote for the nominee of that Democratic National Convention.

Mr. President, when the State convention, as I understand from press accounts, gave instructions to their designated electors, as they had a right to do, as to what their course should be in respect to voting for President and Vice President, it committed them to a course of action which was contingent upon the national convention complying with certain requirements prescribed as conditions precedent. It has already been indicated that they were not to vote for the nominee of that convention unless those conditions were complied with.

Mr. President, as I understand, there will be upon the State ballot only two sets of electors, not electors committed to the nominee of the Republican National Convention and the electors committed to the nominee of the Democratic National Convention, but a group of electors—and I am sure the Republicans will name them later if they have not already done so—committed to the nominee of the Republican National Convention and a group of electors committed to vote for some other Democrat than the nominee of the Democratic National Convention. If the Democratic National Convention does not comply with the conditions laid down by the State convention what electors will be on that ballot, Mr. President, which will give the people the right to vote for the nominee of the Democratic National Convention, even if he be the President of the United States?

It appears from the press that people in the State, desiring that they might have an opportunity to vote for the candidate nominated by a great national party in its regularly called national convention, appealed to their own supreme court and asked for a mandamus which would permit the electors who might be committed to the nominee of the Democratic National Convention to be put upon the primary ballot so that people might designate them as their representatives. But, Mr. President, the press says that action failed, and the State supreme court, the highest judicial authority of the State, has said that the convention acted within the scope of its authority pursuant to its power. If that be the situation, if it is not altered by some act of a competent tribunal, then the electors will face a difficult choice. Shall they carry out the instructions of the body which gave them birth, which designated and chose them, which gave them a commission and their authority, or shall they go behind and repudiate the very body which gave them their being and comply with the will and the wishes of a great sovereign people to express their choice as to who shall be their President and Vice President in this time of great crisis.

Mr. President, I did not believe that any group of men would hate any President or any possible leader with such bitterness that they would be willing to bring into question in this day the character, the representative character, of the electoral college. We have all known that the forefathers contemplated the electoral college as a little oligarchy which would have independent authority to choose the President and Vice President of the United States. Yet we know, Mr. President, that even before 1800, before the Republic was more than a few years old, the independent character of the electoral college had by common consent, by what is sometimes the highest law, the unwritten law of public opinion and common understanding, come to be not an independent body vested with that great power, but a representative body that was to carry out the will of the people themselves expressed in their own appropriate election.

As I say, Mr. President, in all the history of this Nation only two electors have had the effrontery, the temerity, to repudiate the principle of democracy and presume to become President makers, contrary to or in violation of the will of a sovereign people.

So, Mr. President, while men, whoever they may be, have a perfect right to their views about public matters and as to whom they want to be President, yet a little group of willful men are preparing, it appears, to perpetuate this folly. I suspect, if reports be true, that many of them are from outside the State; I suspect that the undertaking is representative of a common plan and proposal, and I think I might say design, the roots of which, Mr. President, I think, reach into either the opposition or into the caverns and citadels of the great financial centers of this country who do not want the kind of President those people

might vote for if they had a free choice at the ballot box. So, while it is said to be the spontaneous expression of local people—if it were, they have a perfect right to it—I think there are hands that are not seen, there are forces behind the scenes that are pulling and drawing these issues, and that it has a national plan and pattern.

But, Mr. President, if that group persists in carrying out that dangerous and bold scheme to thwart the will of millions of people, then unless there is court action that I do not know of, and I do not know of any that is available if the State supreme court says there is no relief, then it would be a question as to whether the Democratic National Convention or any convention faced with the same issue should say: "We are the supreme political authority of our party and we will not recognize the delegation, we will not recognize the authority of any group or anybody which calls itself a convention or anything else which by its own declaration repudiates the supreme authority of the party and gives notice beforehand that its purpose is to thwart its people in an effort to vote for the nominee of the party." That would be one course which could be pursued.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. I wanted to make quite clear, in the remarks I made, that I had no reference to Texas, because I am not familiar with the Texas law, and the business of the Texas people is their business.

In view of the fact that South Carolina was brought into the discussion, and in view of the fact that the distinguished Senator from New Mexico referred to the people of my State, I desire to call to the attention of the distinguished Senator from Florida our law. The laws I speak of as being repealed by the legislature were, of course, primary laws. All people are permitted to vote in the general election, but we have a poll-tax provision requiring the payment of \$1, not cumulative, which is our law and our business.

There can be several sets of electors in South Carolina if it is desired. So, it is the desire of our people not to thwart the will of the people as to whom they will vote for, because the constitution protects us and we can vote for whomever we please. For instance, in 1940 there were some people who did not want to vote for President Roosevelt if he were nominated for a third term. That was their business. I have no criticism of them. They have a right to vote for whom they wish to vote for. All I have to say is that they should be permitted to vote under our laws, that is all.

I might say that those people formed what was known as the Willkie Democratic Party, and they were called Willkie Democrats, so that they could vote for Mr. Willkie and at the same time vote the Democratic ticket. Then there was the regular Republican ticket, and another ticket, then the regular Democratic ticket. I thought that might enlighten the Senator, because State laws vary

greatly, and I believe in State laws and the Constitution.

Mr. PEPPER. I appreciate the Senator making the statement, because what he states is all I contend for. If the people of this country want to vote for John Smith, or Tom Jones, or Jim Robinson, that is their God-given, democratic right, an inherent right. The only thing I am complaining about, the only thing I am fearful of, is that apparently so far no legal way has been discovered in some of the States by which electors committed to the nominee of the Democratic National Convention will be on the ballot in the November election. If that can be accomplished, it will meet the requirements democracy demands, and if it is not possible, either the Democratic National Convention, if it occurs in the Democratic Party, must act in such a way as to correct the situation, or we face a condition in this country which will, I dare say, bring the severest strain upon our democratic institutions which we have had in many a day in our long history.

Mr. LUCAS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. LUCAS. If the electors of the State of Texas carry out what is suggested by some newspapers they are going to do, and fail to vote for the nominee of the Democratic convention in the city of Chicago, I ask the Senator whether he agrees with me that that is the beginning of the end of the convention system, because what is the use of having a Democratic convention and nominating candidates for President and Vice President when it will mean absolutely nothing so far as the electors of the State are concerned? In other words, if the electors are to defy more than a hundred years of custom, and understanding prevailing during this long period of time, it seems to me it is the beginning of the end of the system used all these years, and we might just as well vote for electors and let the electors meet and hold a convention and nominate the President.

Mr. PEPPER. The able Senator is absolutely correct.

Mr. MAYBANK. Mr. President, may I make another comment?

Mr. PEPPER. I yield.

Mr. MAYBANK. The thing that has been of great concern to me is that if electors are elected and we do not know for whom they are going to vote, how will anyone know who is going to be President after the election?

Mr. KILGORE. In line with that question, I should like to know how any voter would know whom he is voting for to be President of the United States.

Mr. PEPPER. Both the Senators have put their fingers right on the quick. It utterly destroys the democratic character of this country. If the people cannot elect their President, if a little oligarchy of a few men have the supreme power to elect the President of the United States, and the Vice President, we are headed for one of the most violent conflicts we have ever had in the political history of the Nation.

Mr. LUCAS. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. LUCAS. I heard a very lengthy speech on the radio a few nights ago, and I read in the newspapers a very lengthy speech by the same individual, who is high in public office, and he takes the position, as I understand, that democracy is practically being reborn in the State of Texas as the result of what is happening there. Some day I should like to hear that distinguished gentleman discuss that question on the floor of the Senate.

Mr. HATCH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. HATCH. I merely wish to add a further observation. As I stated a while ago, there is a great deal of comment and talk in the country and in the papers about what Texas is going to do. Some reference has been made to the Democratic chairman, as I recall, Mr. George Butler. I happen to know Mr. Butler personally, and I happen to know also other members of the Texas delegation. I am not at all concerned about what those men are going to do, because I know, as I stated before, that they are honorable men. They are not going to violate the expressed will of the people of their State. I would almost guarantee that with my public life, because I do know those people so well, and I do know they are honorable. Of course, they have their political differences, they fight back and forth, but when the showdown comes, I would stake almost anything on the honor and integrity of men of the type of George Butler, of Texas.

Mr. PEPPER. Mr. President, I thank the able Senator. What I rose primarily for was not to discredit, not to disparage, and certainly not to reflect upon the people of any State of the Union, but I also have the honor to represent a Southern State, and it has already been stated on this floor this afternoon by a distinguished Senator from the far West, from the State of New Mexico, that if this practice is actually carried out in this daring character, as contemplated, it will lead to the abolition of the electoral college as it is now provided for in the Federal Constitution. This very afternoon we have seen a Senator—and the able Senator of course is known to his colleagues as a distinguished Democratic Senator—from the State of Pennsylvania, offer upon the Senate floor a proposed constitutional amendment to abolish the electoral college and to provide for the election of the President and Vice President by popular vote. A Democratic Representative, Representative Celler, of New York, has already offered such a proposal in the House of Representatives.

Mr. President, I wanted to speak to my fellow southerners, and to point out what would happen to the South if such a proposal were ever adopted and put into the Constitution of the United States. The 12 Southern States have, under the present system, 135 electoral votes. Those 135 electoral votes constitute 25.2 percent of all the electoral votes of the Nation. Yet, in popular votes in 1940, in

the general election, in those 12 Southern States only 5,642,000 votes were cast for President and Vice President, or only 12 percent of the total votes cast in the same year for President and Vice President.

In, for example, the great State of Texas, Mr. President, of which no State has a more illustrious record of integrity and great courage, in 1940 for President, a little more than a million voters voted in the general election. Yet that number of a little over a million voters was responsible for 23 electoral votes in the electoral college, but in the same year, Mr. President, for President of the United States and Vice President, the State of California cast 3,269,000 votes and had only 22 votes in the electoral college.

In the great State of South Carolina, Mr. President, from which I am proud to say my ancestors came, in that same election in 1940 only a little over 100,000 votes were cast, and the 100,000 votes were responsible for 8 votes in the electoral college.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. The Senator is making an able argument to show that the people in the South apparently do not vote in proportion to their population. That is, of course, as the Senator knows, because of the one-party system, and because it is well known that practically everyone who is going to vote is going to vote the Democratic ticket.

Mr. PEPPER. That is exactly correct.

Mr. MAYBANK. But, Mr. President, what I want the Senator to speak of is the basis for the composition of the electoral college.

Mr. PEPPER. It is based at the present time on population. Each State's electoral vote is determined roughly on population. It is determined on the number of Senators and Representatives each State has, but the number of Senators and Representatives the State has is dependent roughly upon the total population.

Mr. MAYBANK. The total population determines the number of Representatives the State has.

Mr. PEPPER. Exactly.

Mr. MAYBANK. But each State, regardless of whether its population is 200,000 or whether it is a State with a large population, such as Pennsylvania or New York, has only 2 Senators.

Mr. PEPPER. That is correct.

Mr. MAYBANK. So if a change were made the States with smaller populations would naturally suffer, if the Senator will bring out that point.

Mr. PEPPER. Mr. President, I thank the able Senator for his helpful remarks.

Mr. MAYBANK. If I may, I should like to add that I think, undoubtedly, the distinguished Senator from New Mexico will agree with me, because the States in the West, like the States in the South, have comparatively small populations.

Mr. HATCH. That is quite true.

Mr. PEPPER. Mr. President, what I am trying to emphasize is that any southerner who interferes with the institution of the electoral college, and

promotes the effort to change the electoral college as it is now constituted, is actually striking at the strength of the South in the voice of the Nation. I cannot feel but that he is endangering our electoral strength in the voting of the Nation for President and Vice President.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. GEORGE. I should like to know what State is undertaking to interfere with the electoral college?

Mr. PEPPER. Mr. President, I understood from the press that the duly constituted authorities of some of the States in the Democratic Party have instructed their electors not to vote for the nominee of the Democratic National Convention unless the Democratic convention complies with certain conditions prescribed by those States.

Mr. GEORGE. I should think they would have the right to do that if they wanted to do it. If the people of Texas want to elect electors on such a basis, they would be representing the people of Texas in the electoral college. There would be no trouble if the Prohibition Party were to name a set of electors. The third party can name a set of electors. The Communists can name a set of electors. The Republicans can name a set of electors and the Democrats can name a set of electors. The Senator is simply complaining of what happened in the internal affairs of the Democratic Party in Texas. I may suggest to the Senator from Florida that he probably is doing the Democratic Party irreparable harm by dragging the question into this body, which may be exploited in the State which is more or less condemned.

Mr. PEPPER. I regret very much that I cannot acquiesce in the view that the able Senator from Georgia expresses. When a proposed constitutional amendment—

Mr. GEORGE. I am not talking about a constitutional amendment. I am not surprised that a Senator from New York or a Senator from Pennsylvania should offer such a proposed constitutional amendment, because it would give either one of those States a great advantage in electing a President. But I should be much surprised if any considerable number of Senators would ever vote for such a constitutional amendment. Let me add that I would be far more surprised if the requisite number of States should ever ratify such a constitutional amendment. So I am not worrying about that.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. The Senator from Georgia has just expressed my own views. I said I was not worried, either. But I want to say that the remarks the Senator from Florida is now making were evoked by a measure introduced by the Senator from Pennsylvania. I do not think the Senator from Georgia ought to criticize the Senator from Florida too severely.

Mr. GEORGE. Mr. President, I am not criticizing the Senator from Florida, but I am saying that I am not surprised

that a Senator from New York or a Senator from Pennsylvania should submit a constitutional amendment in this body to do away with the electoral college, and provide for a direct vote by the people, because those two States have tremendous voting populations. It is the same old fight as that which took place in the Constitutional Convention against each State having two Senators. That has always been a matter of controversy. I suppose it always will be, in spite of the fact that the provision is now written in the Constitution. I am not disturbed about that.

But what the Senator from Florida is doing, and I am respectfully directing his attention to it, is to interfere in the internal affairs of a State's party government. If the convention in Texas or the convention in South Carolina or in any other State is not the legal convention, is not the representative convention of the party, then those who claim to be the legal representatives can organize and present a slate of electors. But as I understand, the issue presented to the State supreme court of Texas was whether or not another organization had the right to have certified for entry on the ballot Democratic electors from that State, and the court simply said that a certain slate was the slate of electors entitled to go on the ballot. But that does not prevent the State from electing other electors.

Mr. President, let me call the Senator's attention to the fact that the Constitution in express terms declares that each State may appoint its electors in any manner the State chooses. It is not necessary to have an election. But if there is a Prohibition Party, or a party of Communists, or a party of Democrats, or a party of Republicans within the State which wants to offer to the people of the State its electors, it may do so, and if the majority of the people of the States vote for those electors, they, of course, have the moral obligation of carrying out the instructions given them in the election which resulted in their selection or appointment as electors.

I should like to call the attention of the Senator to another thing: There is an express rule of the Senate that no Senator in debate shall directly or indirectly reflect on another Senator, nor shall he reflect on any State, and I think that Democrats here are coming close not only to reflecting upon a State, but unfortunately upon our own party within the State. I should like to suggest to the Senator from Florida in all candor that we had better forego the privilege and pleasure of making political pronouncements about the matter because it may mean the doing of irreparable harm to the Democratic Party.

Mr. President, Texans have wills and minds of their own, and they may exercise their right. Certainly condemnation of any group of Texas citizens, whether the Senator thinks they are true Democrats or not, and whatever may be the merits of the dispute, is not likely to promote very much harmony.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. Not at this time.

The ACTING PRESIDENT pro tempore. The Senator declines to yield.

Mr. PEPPER. Mr. President, I always respect every word that falls from the lips of the able senior Senator from Georgia. I am sure he did not presume to lecture me about my views or my duties in the Senate. He meant to say that he respectfully differed as to the wisdom of the course I was pursuing. In so doing he was acting entirely within the scope of his authority and consistent with his great character and his integrity and sincerity of purpose.

But, Mr. President, I happen individually to believe that this is not a secret matter.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I hope the Senator will allow me to conclude this statement. It is holding up other business.

Mr. President, any matter which has been on the front pages of the Nation's press for weeks; any matter which has been one of the principal subjects of articles in the Nation's magazines; any matter which has elicited proposed constitutional amendments in the House and Senate; any matter which may affect the question of who shall be the next President of my country and my State, is partly my business, and I propose to address myself to it so long as the privilege of free speech prevails in the United States Senate, always deferring to the views of my colleagues when they differ with me, and regretting that there is a point of departure in our sentiments.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. Not for the time being, Mr. President.

It is also my opinion that nothing I could say, and nothing any Senator could say on this floor, could so endanger the institutions of democracy or the Democratic Party as have the incidents which have provoked this discussion.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I decline to yield at the moment.

Mr. President, it is often forgotten that I myself am a southerner. I have the right to express the sentiments of my heart as to what is the wise course for my people. I am no stranger in the South. I suspect that my genealogy would not compare unfavorably with those of my colleagues. But, Mr. President, I am saying that things have been going on in this period, when democracy is on trial in the world, which strike at the heart of democracy in America. That is a national danger.

I sometimes think that we sat too complacently here and saw the fighting soldiery not given the power to vote. The experience of my State indicates that they are not voting. The secretary of state of my State tells me that 180,000 men from my State are in the armed services of my country. Only 10,000 of them received ballots. As I understand, the rules are substantially the same in the primary elections as in the general elections. Only 10,000 of the 180,000 ever received a ballot, and only about 5,000 ever returned a ballot. Congress could

have done better than that, but it did not.

Mr. President, I have seen things which I thought struck at the heart of democracy, and I think this new threat does. I protest in the name of the Nation and the South, because I know that it will lead to alterations in the system, or it will lead to bloodshed, if there is not some way by which the people may have a fair vote.

Let me say to my able friend that if there is a way by which those who favor the nominee of the Democratic National Convention may have a fair chance to vote for that nominee in every State in the Nation, I have no protest or question. That is all they are entitled to. They might not like being driven out of their party by their own leaders, but that is no business of mine. I am only concerned as a citizen, and as a Senator of the United States and of the South, lest the people should not have an opportunity to vote. If the situation in Texas is the same as it is in the State of South Carolina, then the question is not serious; but it seems to me that those who favor the nominee of the Democratic convention have done everything so far that they could do in the great State of Texas, even resorting to the Supreme Court, to get the names of their electors on the ballot. So far I have heard of no representation that they have succeeded in that purpose. The common understanding—I hope I am in error—is that if those who have conceived and prepared this plan are prepared to carry it out, there will not be any way by which the people of Texas or of the great State of Mississippi can get the electors on the ballot. I believe I heard the distinguished junior Senator from Mississippi [Mr. EASTLAND] say that in his State perhaps a way could be found. If that were true, the State of Mississippi would not be included; and if that situation prevails in Texas, of course, all I have said is of no avail.

I plead with my fellow southerners not to do anything which would endanger the position we now enjoy in the Nation, or undermine the institution of democracy, which is so much under assault in the world today.

Mr. CONNALLY. Mr. President, I very much deplore the efforts of Pennsylvania and Florida to regulate the affairs of my State from the floor of the Senate. I shall consume only a few moments of the time of the Senate because I do not care to take up much time.

I remind Senators that article II of the Constitution of the United States—that is an official document if the Senator from Pennsylvania [Mr. GUFFEY] has not seen it—

Mr. GUFFEY. I have read it before.

Mr. CONNALLY. Article II of the Constitution provides that—

Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress.

Under that constitutional provision the Congress has nothing on earth to do with the selection of electors. Each State provides how electors may be

chosen. I daresay that in any State any organization, group, or party can place on the ticket the names of its electors to be voted upon.

Along the line of what has been said by the eminent Senator from Georgia [Mr. GEORGE], I very much wish that political doctors with their pill bags would stay within the jurisdiction of their own States, and not try to doctor or tinker with the other States. We are able to handle our affairs. We know what the Constitution provides, and we shall work out our problems under the law. I very much deplore the fact that we are continually assailed on the floor of the Senate.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF THE PRESIDENT-ELECT

The ACTING PRESIDENT pro tempore. Pursuant to Senate concurrent resolution 40, authorizing the appointment of a joint committee to arrange for the inauguration of the President-elect of the United States on January 20, 1945, the Chair appoints as the committee on the part of the Senate the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. McKELLAR], and the Senator from Michigan [Mr. VANDENBERG].

MISSISSIPPI RIVER BRIDGE NEAR MEMPHIS, TENN.

Mr. McKELLAR. Mr. President, before taking action on the appropriation bill, I ask that House bill 4803, extending the time for commencement and completion of a bridge across the Mississippi River at Memphis, be laid before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate the bill (H. R. 4803), to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn., which was read twice by its title.

Mr. McKELLAR. I ask unanimous consent for the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was considered ordered to a third reading, read the third time, and passed.

PARTIAL REPORT ON BUSINESS PRACTICES AND OPERATIONS OF ALCOHOLIC BEVERAGE INDUSTRY

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent to have printed at this point in the RECORD a partial report made by the subcommittee of the Committee on the Judiciary authorized by Senate Resolution 206 to investigate the business practices and operations of the alcoholic beverage industry.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PRELIMINARY STATEMENT

Senate Resolution 206, Seventy-eighth Congress, first session, adopted November 16, 1943, reads, in part, as follows: "Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the business practices and operations of the

alcoholic-beverage industry in all its phases, including any matters relating to the production, importation, distribution, purchase, or sale of whisky, gin, rum, brandy, or other distilled spirits, or wine or malt beverages. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations for necessary legislation."

Pursuant to the above resolution a subcommittee of the Committee on the Judiciary of the United States was appointed, which is now composed of Senators PAT McCARRAN, chairman, HARLEY M. KILGORE, ABE MURDOCK, and HOMER FERGUSON.

During the month of May the committee concluded hearings on the general subject of the shortage of alcoholic beverages, the implication of this shortage, and means for its alleviation.

GENERAL SUMMARY

This report addresses itself to the broad problem of control and enforcement presented by the present shortage of alcoholic beverages, particularly whiskies, and aggravated by black-market conditions and a growing breakdown of respect for law, which your committee believes have been to a large extent engendered by such shortages.

The report recommends a three-point program, as follows:

1. Government action to assure an increased supply of beverage spirits in the future.

2. Amendment of the Federal Alcohol Administration Act and the Internal Revenue Code to provide better weapons for Federal enforcement and control of the liquor business and for combating the existing black market in beverage alcohol.

3. An allocation program above the retail level, under the direction of the War Food Administration; in order to assure a more equitable distribution of existing stocks of beverage alcohol now in the hands of the retailers, wholesaler, rectifier, bottler, and distiller; and to provide an allocation program which will prevent the channeling of liquor into the black market and to dealers who have built up tremendous stocks.

CONCLUSIONS

1. War Production Board estimates of industrial alcohol production have been too low.

2. War Production Board estimates of industrial alcohol requirements have been too high.

3. Alcohol can be released for beverage purposes in the amount of at least 20,000,000 gallons during the rest of this year and probably in a substantially larger amount, without injuring the war effort. Additional release of alcohol for beverage purposes can and should be made in the future, to insure an increased supply, subject to the condition that such release will not interfere with the war effort.

4. The Federal Alcohol Administration Act of 1935, as amended, is poorly constructed and offers refuge to many persons engaged in illicit operations (black market) and unethical business practices. The act should be either amended or rewritten to eliminate present limitations upon enforcement and regulation.

5. A sound approach to the existing problem requires not only the release of more beverage alcohol, and the shoring up of weak spots in the law, but also some adequate provision for equitable distribution of available supplies of alcoholic beverages.

RECOMMENDATIONS

Your committee recommends:

1. That the proper Government agencies take action, whenever necessary to alleviate serious shortages, to increase the supply of beverage spirits at the consumer level, either by (1) releasing grain alcohol from the Government stockpile, (2) by permitting manu-

facture of grain alcohol for beverage purposes, (3) by a combination of these two means, or (4) by any other means which will accomplish the result without interference with the war effort.

2. That the Internal Revenue Code and the Federal Alcohol Administration Act be amended so as to: (1) authorize issuance by the Internal Revenue Bureau of regulations forbidding obliteration of serial numbers on cases of unbonded whisky; (2) authorize the Internal Revenue Bureau to revoke a basic permit, granted under the Federal Alcohol Act, for a first violation; (3) make basic permits under the Federal Alcohol Act annually renewable; (4) make the Federal District Courts rather than the circuit courts of appeals the forum for review of administrative action by the Internal Revenue Bureau revoking or suspending basic permits under the Federal Alcohol Act (see proposed bill, appendix A); (5) authorize suspension or revocation of a basic permit, issued under the Federal Alcohol Act, for violation of Federal laws, such as the Price Control Act, relating only indirectly to alcoholic beverages, or for failure to conduct operations under such permit in conformity with State law.

3. That the War Food Administration place alcoholic beverages under an allocation order, to insure equitable distribution, inhibit hoarding, and bring hoarded stocks into the market.

DEMAND FOR BEVERAGE ALCOHOL

Cessation of beverage-spirits production contributed to a shortage which gave rise to social evils—black marketing, bootlegging, hijacking, smuggling, and the like—which have been growing progressively more serious. Federal and State revenues from such spirits have been jeopardized, and the country has been threatened with de facto prohibition.

There is a tremendous public demand for quality beverage spirits, a demand which cannot be ignored or prohibited, and which has been supplied to a steadily increasing extent by foreign and domestic promoters taking advantage of the shortage to sell inferior products at high prices. The public has not been able to understand why quality grain spirits have been used for industrial purposes, while inferior molasses, fruit spirits, and even potato spirits are available in increasing quantities at higher prices.

The following resolution was adopted unanimously by the National Alcoholic Beverage Control Association, representing the 14 member States of Alabama, Idaho, Iowa, Maine, Michigan, Montana, New Hampshire, Ohio, Oregon, Utah, Virginia, Washington, West Virginia, and Wyoming, at its convention held in New York on April 18 and 19, 1944:

"Whereas the cessation of the manufacture of distilled spirits for beverage purposes since October 1942 is creating a condition of illegal and obnoxious practices, such as black markets, bootlegging, hijacking, racketeering, gangsterism, and the illegal manufacture and distribution of alcoholic liquors which menace the public health and public welfare; and

"Whereas such conditions are impeding and threatening the orderly and proper administration of the system of alcoholic beverage control by the various State commissions charged with that important duty;

"Now therefore, the National Alcoholic Beverage Control Association in a convention assembled in the city of New York on April 19, 1944, most respectfully and earnestly petitions the Government, if consistent with the war requirements, to grant a reasonable opportunity for the distillation of spirits for beverage purposes;

"Resolved further, That the president of this association appoint a committee of members of the association to present this petition and make appropriate appeal for necessary relief to the proper authorities in Washington."

THE INDUSTRIAL ALCOHOL SITUATION

The need for an increased supply of beverage alcohol has been obvious for some time. Such a release of beverage alcohol production facilities as the War Production Board has just authorized can, particularly if accompanied by controlled distribution, be a potent factor in combating the black market. A firm foundation for answering the questions of whether the release of beverage alcohol, either direct from the Government stock pile, or by permitting a part-time resumption of manufacture of beverage spirits, would hamper the war effort, and of how much beverage alcohol can be released without cutting in to the supply essential for war and essential for civilian uses, was laid by facts brought out during the committee's investigations and hearings.

According to a recent War Production Board press release, the beverage industry contributed more alcohol to the war program during the period from January 1, 1942, to April 1, 1944, than the entire demands of the rubber program, lend-lease, and direct military use. This left only indirect and civilian requirements to be taken care of by expanded production from the industrial-alcohol plants and the production from new plants constructed at Government expense.

It seems an inverted viewpoint to regard production by beverage distillers as the basic supply for the war program and to permit increased use for indirect military and civilian purposes as commercial-alcohol production rises. A sounder view would be to first apply all industrial-alcohol production to essential uses and use needed distillery production to make up any balance of supply required for essential uses.

The alcohol stock pile is substantially greater than is necessary, particularly in view of the fact that total current monthly supply exceeds average monthly requirements. New facilities and imports should more than offset expected seasonal declines in production. The War Production Board is tentatively allocating 160,000,000 gallons of alcohol to "indirect military and civilian uses" this year. Comparable pre-war use averaged about 100,000,000 gallons per year, which figure then included direct military and anti-freeze requirements. Maximum previous use was last year, 148,000,000 gallons. Total use in this category in 1942 has been reported by the W. P. B. on two different occasions as, respectively, 120,000,000 and 128,000,000 gallons. Every peacetime use of alcohol except for beverages is being supplied.

It is doubtful whether direct military requirements for this year will exceed 30,000,000 gallons. Lend-lease probably will not exceed 40,000,000 gallons, and it is believed this amount could be substantially reduced if necessary. The maximum figure on requirements for the rubber program which was supported by Colonel Dewey's office was 360,000,000 gallons for the entire year, and this figure, which admittedly took no account of prospective savings through improved techniques (estimated to be at least 12,000,000 gallons) nor of any production of butadiene from petroleum (a substantial amount of which production is expected to come in before the end of the year) has since been revised downward by Colonel Dewey's office in line with the facts developed by the committee. Total requirements for this program probably will not exceed 340,000,000 gallons for 1944 and may be even less. Estimates of indirect military and civilian requirements were increased, from an estimate of approximately 152,000,000 gallons made last October, to 165,000,000 gallons on December 1, 1943, and then reduced to 160,000,000 gallons on April 15. In view of the fact that total requirements in this field were not more than 128,000,000 gallons in 1942, and only 148,000,000 gallons in 1943, there seems to

be no justification for increasing the estimate above the October 20 figure of 152,000,000 gallons, and quite probably the use of alcohol for indirect military and civilian purposes could be cut substantially below this figure, if desired. On the basis of these suggested reductions in estimates, and the reduced estimates of the Rubber Director, total estimated requirements for 1944 would be only 594,000,000 gallons.

Official W. P. B. estimates of imports for 1944 include 4,000,000 gallons from Mexico and 12,000,000 gallons from Canada. To this should be added at least the minimum of 12.5 million gallons provided for by the Cuban agreement, making a minimum estimate, for imports, of 28.5 million gallons.

On the basis of production during the first quarter of 1944, it seems likely beverage distilleries would have produced 240,000,000 or 241,000,000 gallons of industrial alcohol during the entire year, had a holiday for beverage production not been granted.

Adjusting the last estimate of production which the W. P. B. gave the committee, to reflect these increases, produces an estimate of 619,000,000 gallons of available supply for 1944.

The difference between these adjusted estimates is 25,000,000 gallons, representing an excess of estimated supply over estimated requirements, and amply justifying the position taken by the committee in favor of the release of beverage spirits.

PROPOSED AMENDMENT TO INTERNAL REVENUE CODE AND FEDERAL ALCOHOL ACT

Investigations made by the committee and testimony of Mr. Stewart Berkshire, Deputy Commissioner, Internal Revenue, in charge of the Alcohol Tax Unit, indicate the desirability of certain amendments to existing law in order to facilitate control and enforcement.

A substantial percentage of black-market operators are known to field agents of the Alcohol Tax Unit. They remain in business because iron-clad proof is difficult to obtain and the Federal Alcohol Administration Act is weak in that it does not allow the Alcohol Tax Unit to deny permits to wholesalers and rectifiers unless it is found that they are guilty of conduct specifically set forth in the act. These standards are too low and do not give the Alcohol Tax Unit sufficient administrative powers over permittees.

Almost all black-market liquor is traced to liquor cases whose serial numbers have been removed, and under present regulations no serial number is required on cases of imported distilled spirits.

To meet this situation, your committee is recommending new language for section 2806 (d) of the Internal Revenue Code, under which the Internal Revenue Bureau may issue effective regulations forbidding obliteration of serial numbers on whisky cases. Mr. Berkshire has assured the committee that if the law is so amended, the regulations will be issued and enforced. Your committee considers it desirable to handle the matter in this way rather than to attempt by statute to deal specifically with a matter which properly should be the subject of administrative regulation.

Several amendments are proposed to section 4 of the Federal Alcohol Act.

Under existing law the only penalty for a first violation of the conditions of a basic permit issued under the act is suspension; no matter how serious the violation, the permit cannot be revoked for a first offense. It is your committee's view that the administrative agency enforcing this act should have authority in its discretion to revoke a permit for a single violation if that violation is sufficiently serious. To provide this authority by law would not be equitable since the order revoking a permit is subject to judicial review.

Basic permits issued under the Federal Alcohol Act are of definite duration. They con-

tinue in effect until suspended or revoked in accordance with the act. Such suspension and revocation, being subject to review, often cannot be made effective for 1 or even 2 years, during which time the permit holder is enabled to continue in business. One of the amendments to section 4 of the act which your committee recommends would make basic permits annually renewable.

For the purpose of providing speedier determination on appeals from orders for suspension or revocation of basic permits, authority should be given for filing such appeals in Federal district courts rather than in circuit courts of appeals as now provided. Making the district courts the forum for such litigation will not only aid the Alcohol Tax Unit in more speedily disposing of its work, but will also provide the permit holder, against whom a suspension or revocation order is issued, with an opportunity for a speedier determination of his rights than he could now obtain.

Subsection (d) of section 4 provides that basic permits issued under the Federal Alcohol Act shall be conditioned upon compliance with the Constitution and with Federal laws relating to distilled spirits, wine, or malt beverages, including tax laws. This language does not allow suspension or revocation of a permit for violation of a Federal law, such as the Price Control Act, which relates only indirectly to alcoholic beverages.

While each permit now contains a condition requiring that operations under it be conducted in conformity with State law, there is no specific statutory basis for this condition, and it has never been enforced. In your committee's view, this is a proper condition and should be backed up by statute. To accomplish this aim and to make permits conditioned also upon compliance with Federal laws relating only indirectly to alcoholic beverages, as pointed out above, your committee proposes an amendment to subsection (d).

Under normal conditions large quantities of distilled spirits are bought and sold in the form of warehouse receipts. Up until December 27, 1943, no record of warehouse-receipt transactions was required to be furnished to the Alcohol Tax Unit, which operated on the theory that such receipts were securities. Consequently, the actual owners of hundreds of thousands of barrels of whisky were unknown. This condition was aggravated because of the fact that warehouse receipts are bearer documents and require no endorsement to transfer title. At the present time the Alcohol Tax Unit requires all wholesale liquor dealers to furnish it with an inventory of warehouse receipts as of July 1, 1943, together with detailed reports of transactions after that date, on Form 52. This does not mean, however, that all warehouse-receipt transactions have been reported to the Alcohol Tax Unit because there is no way of determining how many such transactions have been concealed.

If transfer of a warehouse receipt is to be considered as a sale of whisky, evidence obtained indicates that most sales of warehouse receipts are in violation of O. P. A. ceiling prices.

The Alcohol Tax Unit of the Internal Revenue Bureau is reluctant to favor any suggestion that it should regulate the transfer and sale of warehouse receipts, stating in effect that its only interest is in collecting revenue, and that it is not concerned with the ownership of the liquor in bonded warehouses prior to the time it is removed. Since warehouse receipts were long regarded as securities, it might well be that the Securities and Exchange Commission has or could be given jurisdiction to regulate the purchase and sale of these bearer instruments. It has been suggested that every transfer in warehouse receipts should be reported to the Alcohol Tax Unit and the transferor should be compelled to endorse the warehouse receipts at the time of each transfer.

No legislation is here recommended with regard to warehouse receipts for bulk whisky, since such receipts are in most instances controlled by State law and since it is doubted whether any requirement for endorsement for warehouse receipts would be of material aid in tracing such receipts or in otherwise combating the black market. The contention that such receipts could be traced if endorsement were required is very plausible upon first examination, but losses merit when it is realized that any black market operator would completely disregard any law on this subject, if he knew that compliance with it would make it possible for his operations to be more readily traced by enforcement laws.

THE PROBLEM OF EQUITABLE DISTRIBUTION

It is clear that despite any executed program providing for the increased release of beverage spirits and the strengthening of the Federal Alcohol Administration Act of 1935 and the Internal Revenue Laws, there must be provided simultaneously a definite plan for the equitable allocation of the available supply of alcoholic beverages.

After a review of existing statutes and Executive orders, your committee is of the opinion that under title III of the Second War Powers Act, 1942, the President could order the War Food Administrator to allocate the available supply of beverage alcohol, since he had defined alcoholic beverages as food in Executive Order 9280.

Mr. Grover B. Hill, Assistant Administrator of the War Food Administration, has informed the committee that "the Administrator would probably have power, if the requisite findings can be made, to issue such an order although its administration would encounter many practical difficulties."

It should be pointed out in this connection that the necessity for such an allocation order is based upon (1) the liquor shortage which has resulted from the urgent necessity for great quantities of industrial alcohol, and (2) the fact, which is common knowledge, that certain dealers (retail and wholesale) and numerous large consumers such as hotels and night clubs have accumulated large stocks of beverage liquor which will last them for at least 4 or 5 years, and who yet continue to purchase all the beverage liquor they can get. It is conceivable that if the war lasts long enough and all the liquor is taken from the bonded warehouses most of it eventually will be found in the storerooms of several thousand dealers who have "preferred" accounts with large distributors, and who are more concerned with holding their good accounts to insure a good post-war business than with the problem of today's equitable distribution.

One of the practical difficulties which doubtless Mr. Hill has in mind is the necessity for a complete inventory of all liquor now in the trade channels. On April 1, 1944, a new floor-stock tax went into effect, and

in connection therewith the Alcohol Tax Unit of the Treasury Department will have available within 30 days a complete inventory of all liquor stocks—except stocks in the hands of the consumer—as of April 1. Using this inventory and a simple ratio formula which has been used by the War Food Administration in the allocation of other commodities above the retail level, a fair and equitable distribution of existing liquor stocks could be arranged with dispatch. It should be borne in mind that this allocation plan envisions neither a rationing at the consumer level nor an invasion of States' rights.

Perhaps the most serious problem in connection with such an allocation order as here proposed is lack of personnel to execute such an allocation program. Mr. Hill suggests that the Treasury's Alcohol Tax Unit be given the job. It might well be that one alternative—if an allocation plan were deemed expedient—is to require the War Food Administration to issue the allocation order setting forth the mechanical details, and delegate to the Alcohol Tax Unit the necessary regulatory powers for the administration and enforcement of the program.

These are matters to be administratively determined. The need for the proposed allocation order is clear, and your committee feels certain the details can be worked out satisfactorily if the matter is given the attention which it deserves.

APPENDIX

PROPOSED BILL

A bill to amend the Internal Revenue Code, as amended, and the Federal Alcohol Act, as amended

Section 2806 (d) of the Internal Revenue Code, as amended, is further amended to read as follows:

"All distilled spirits found in any cask or package, and any bottled distilled spirits found in any case, without having upon such cask or package or case each mark and stamp required therefor by law or regulations, shall be forfeited to the United States."

SEC. 2. Section 4 of an act entitled "An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes," approved August 29, 1935, as amended (U. S. Code, title 27, sec. 204), is further amended as follows:

(a) In subsection (e) (1), by striking out the words "provided that for a first violation of the conditions thereof the permit shall be subject to suspension only;"

(b) By amending subsection (d) to read as follows: "A basic permit shall be conditioned upon (1) compliance with the requirements of section 205 of this title (re-

lating to unfair competition and unlawful practices) and of section 206 of this title (relating to bulk sales and bottling), with the twenty-first amendment and laws relating to the enforcement thereof, and with all other Federal laws relating directly or indirectly to distilled spirits, wine, and malt beverages, including taxes with respect thereto, and (2) conduct of the operations under such permit in conformity with the laws of the State in which such operations are conducted."

(c) In subsection (g), after the words "a basic permit" at the beginning of the subsection, by striking out "shall continue in effect until" and inserting: "may be issued for 1 year and shall expire on the 31st day of December next succeeding the issuance thereof unless"; by changing the semicolon after the word "surrendered" to a colon, and inserting "Provided, That the Secretary may without formal application extend any permit granted under this part after August 31 in any year to December 31 of the succeeding year"; by striking out: "except that (1) if", and inserting "(1) if."

(d) In subsection (h), by striking out: "Such appeal shall be taken by filing, in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia" and inserting: "Such appeal shall be taken by filing, in the district court of the United States within any district wherein such person resides or has his principal place of business, or in the United States District Court for the District of Columbia."

RECORD ON APPROPRIATION BILLS

Mr. McKELLAR. Mr. President, I assure Senators that I shall take only a few moments. We have just completed action on all appropriation bills for the ensuing fiscal year. I wish first to express my great appreciation to each and every member of the Senate Appropriations Committee for their joint and several aid in getting the appropriation bills through at this early date. I believe it is about the earliest date since I have been in the Senate. I also wish to say that the members of the House Appropriations Committee gave very splendid and effective cooperation in this result.

I ask unanimous consent to have printed in the RECORD at this point a copy of the last page of the Senate's legislative calendar for today, which shows the result of our labors.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Status of appropriation bills, 78th Cong., 2d sess.

Number of bill	Title	Passed House	Received and referred in Senate	Reported in Senate	Passed Senate	Sent to conference	Conference report agreed to in—		Date approved	Number of law	
							Senate	House			
H. R. 4070	Independent offices, 1945.....	Jan. 31	Feb. 1	Mar. 9	Mar. 24	May 8	June 8	June 1			Sent to President.
H. R. 4133	Treasury and Post Office, 1945.....	Feb. 10	Feb. 11	Mar. 8	Mar. 9	Mar. 10	Apr. 1	Mar. 30	Apr. 22	293	Do.
H. R. 4183	War, civil functions, 1945.....	Feb. 16	Feb. 17	Mar. 8	Mar. 9	Mar. 10	Apr. 1	Mar. 30	Apr. 22	293	Do.
H. R. 4204	State, Justice, and Commerce, 1945.....	Feb. 18	Feb. 21	Mar. 16	Mar. 17	May 22	June 7	June 6			Do.
H. R. 4346	First deficiency, 1944.....	Mar. 10	Mar. 13	Mar. 27	Mar. 28	Mar. 28	Mar. 29	Mar. 29	Apr. 1	279	Do.
H. R. 4414	Legislative and Judiciary, 1945.....	Mar. 16	Mar. 21	May 16	May 19	June 1	June 19	June 16			Do.
H. R. 4443	Agriculture, 1945.....	Mar. 24	Mar. 28	May 16	May 17	May 18	June 20	June 22			Do.
H. R. 4559	Navy, 1945.....	Apr. 14	Apr. 17	Apr. 21	Apr. 25	May 24	June 5	June 1			Do.
H. R. 4679	Interior, 1945.....	Apr. 27	Apr. 28	May 20	May 23	June 3	June 21	June 20			Do.
H. R. 4861	District of Columbia, 1945.....	May 24	May 25	June 19	June 21	June 2	June 21	June 22			Do.
H. R. 4879	War Agencies, 1945.....	May 26	May 29	June 12	June 20	June 21	June 22	June 22			Do.
H. R. 4899	Labor and Federal Security Agency, 1945.....	June 1	June 5	June 13	June 15	June 15	June 22	June 21			Do.
H. R. 4967	Military Establishment, 1945.....	June 15	June 16	June 19	June 21	June 21	June 22	June 22			Do.
H. R. 4937	Lend-lease.....	June 3	June 5	June 12	June 13	June 14	June 22	June 22			Do.
H. R. 5040	Second Deficiency, 1944.....	June 17	June 19	June 21	June 22	June 22	June 23	June 23			Do.

Mr. McKELLAR. I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an analysis of the appropriations for last year, which amount to a complete total of \$114,564,008,594.62.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

III. Recapitulation of appropriations by acts irrespective of fiscal years (78th Cong., 1st sess.)

REGULAR ANNUAL ACTS, 1944	
Agriculture.....	\$848,295,883.00
District of Columbia.....	55,466,565.00
Independent offices.....	2,621,366,879.00
Interior.....	104,608,921.00
Labor-Federal Security:	
Labor.....	27,794,050.00
Federal Security	
Agency.....	719,749,460.00
Related independent agencies.....	389,623,500.00
Total.....	1,137,167,010.00
Legislative-Judiciary:	
Legislative.....	28,363,988.00
Judiciary.....	12,530,490.00
Total.....	40,894,478.00
Military.....	59,934,839,673.00
Navy.....	27,637,226,198.00
State, Justice, and Commerce:	
State.....	33,523,100.00
Justice.....	102,657,300.00
Commerce.....	85,225,000.00
Total.....	221,405,400.00
Treasury and Post Office:	
Treasury.....	201,222,740.00
Post Office.....	899,468,535.00
Total.....	1,100,691,275.00
War, civil functions.....	63,657,098.00
Total, regular annual acts.....	92,865,619,380.00
DEFICIENCY AND SUPPLEMENTARY ACTS, 1944 AND 1943 AND PRIOR YEARS	
Urgent Deficiency, 1943 (H. J. Res. 82).....	22,410,676.17
First Deficiency, 1943.....	4,106,261,194.96
Naval Supplemental, 1943.....	3,836,176,119.00
Farm Labor Supply, 1943-44.....	26,100,000.00
Urgent Deficiency, 1943 (H. J. Res. 115).....	7,246,700.00
Urgent Deficiency, 1943 (H. R. 2714).....	143,430,591.56
Defense Aid, 1943-44.....	6,273,629,000.00
National War Agencies, 1944.....	2,911,697,224.00
Second Deficiency, 1943.....	253,256,179.72
First Supplemental National Defense, 1944.....	188,833,720.23
Total deficiency and supplemental acts.....	17,769,041,405.64
MISCELLANEOUS ACTS CARRYING APPROPRIATIONS, 1943 AND 1944	
Public acts (for details, see p. 539).....	18,320,000.00
Private acts (for details, see pp. 540-543).....	701,884.92
Total, miscellaneous acts carrying appropriations.....	19,321,884.92
Grand total, regular annual, supplemental, deficiency, and miscellaneous appropriation acts.....	110,653,982,670.56

PERMANENT APPROPRIATIONS, GENERAL AND SPECIAL ACCOUNTS	
Interest on the public debt.....	\$3,000,000,000.00
Sinking fund and other debt retirement funds.....	593,907,551.00
All other permanent and indefinites, general and special accounts.....	368,416,695.62
Total, permanent, general and special accounts.....	\$3,962,324,246.62
Grand total, regular annual, supplemental, and miscellaneous appropriation acts, and permanent appropriations.....	114,616,306,917.18
Deduct trust fund appropriations carried in regular annual, deficiency, and miscellaneous acts.....	52,298,322.56
Grand total, including permanent appropriations under general and special accounts, but exclusive of trust funds under permanent and annual appropriations.....	114,564,008,594.62
¹ Includes \$1,000,000 for migratory bird conservation fund for 1944; and \$22,913,800 for "Expenses of loans" for 1943.	
Classification of foregoing appropriations by fiscal years	
(Total regular annual and permanent (general and special accounts))	
Fiscal years:	
1944.....	\$106,171,178,884.00
1943.....	8,348,916,709.27
1942 and prior years.....	31,318,996.77
Judgments and audited claims.....	\$12,594,004.58
Grand total.....	114,564,008,594.62

Mr. McKELLAR. I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a similar statement relative to appropriations for the ensuing fiscal year, 1945. It is a recapitulation of the appropriations made by the Seventy-eighth Congress, second session. The figures must necessarily be subject to correction, although I think they are substantially correct. The clerks of the Senate and House Appropriations Committees have done a splendid job in compiling these figures so quickly. I wish to call attention to the remarkable difference between the total appropriations for last year and the total appropriations for the present year.

Last year we appropriated \$114,564,008,594.62. This year we have appropriated \$67,192,237,127.64, as against the \$114,000,000,000 appropriated last year, or a difference—less than last year—of \$47,371,771,466.98. In other words, our appropriations for the ensuing year amount to approximately 58 percent of the appropriations for last year.

I take great pleasure in submitting those figures for the RECORD, and at this time I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

Recapitulation of appropriations (78th Cong., 2d sess. (preliminary figures subject to correction))

REGULAR ANNUAL ACTS	
Agriculture.....	\$562,145,918.00
District of Columbia.....	69,111,569.00
Independent offices.....	8,485,099,785.00
Interior Department.....	103,239,796.36
Labor-Federal Security:	
Labor Department.....	68,119,050.00
Federal Security Agency.....	633,843,885.00
Related independent agencies.....	410,681,529.00
Total.....	1,112,644,464.00
Legislative and judiciary:	
Legislative.....	46,245,994.66
Judiciary.....	13,455,024.00
Total.....	59,701,018.66
Military.....	15,434,814,795.00
Navy Department.....	27,569,798,301.00
State, Justice, and Commerce:	
State.....	47,138,500.00
Justice.....	116,477,200.00
Commerce.....	78,322,000.00
Total.....	241,937,700.00
Treasury and Post Office:	
Treasury.....	220,636,897.00
Post Office.....	1,110,209,272.00
Total.....	1,330,846,169.00
War Department, civil functions.....	\$92,455,440.00
Total, regular annual acts.....	55,061,794,956.02
DEFICIENCY AND SUPPLEMENTAL ACTS	
Farm Labor Supply, 1944.....	31,359,200.00
First Deficiency, 1944.....	489,762,870.04
National War Agencies, 1945.....	1,030,937,242.00
Defense Aid and U. N. R. R. A.....	3,920,320,000.00
Second Deficiency, 1944.....	241,368,992.58
Total, Deficiency and Supplemental Acts.....	5,713,748,304.62
Total miscellaneous appropriations exclusive of amounts in private and sundry special laws.....	6,900,000.00
Total permanent annual appropriations, general and special accounts, as estimated in 1945 Budget (subject to revision).....	6,409,793,867.00
Total appropriations, 78th Cong., 2d sess. (preliminary totals).....	67,199,237,127.64
Total appropriations	
Total appropriations, 78th Cong., 1st sess.....	\$114,564,008,594.62
Total appropriations, 78th Cong., 2d sess.....	67,192,237,127.64
Decrease, 78th Cong., 2d sess., under 78th Cong., 1st sess.....	47,371,771,466.98

Mr. McKELLAR. Mr. President, let me also state that last year the contract authorizations were \$13,446,339,945, and

for the ensuing year the contractual authorizations are only \$8,029,665,901, or a difference of over \$5,460,000,000. I send to the desk a statement relating to that matter, and ask that it be printed at this point in the Record, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Contract authorization

Total, 78th Cong., 1st sess... \$13,446,339,945
Total, 78th Cong., 2d sess... 8,029,665,901

Decrease, 78th Cong., 2d
sess., under 78th Cong.,
1st sess..... 5,416,674,044

Mr. McKELLAR. Mr. President, I wish to call attention to one other fact. In June 1942 our national indebtedness was approximately \$72,000,000,000. Later I shall have the actual figures placed in the Record, but at this time I state only the round sums. In June 1942, as I have said, our national indebtedness was \$72,000,000,000. In June 1943 it was \$136,000,000,000. On June 1, 1944, it was \$183,000,000,000. However, it will be seen that the increase this year was nothing like as great as the increase last year. I thought those figures, showing the remarkable reduction in the rate of increase of expenditures of the Government during this great war, after providing for every war need, would be of interest to Senators, and I think it will be of interest to all Senators to have the figures in the Record.

So, Mr. President, I wish to say again that I personally thank the clerk of the Senate Committee on Appropriations, Mr. Everard H. Smith, and the clerk of the House Committee on Appropriations, Mr. Marc. Sheld, for compiling these figures so promptly after the bills have been passed.

Mr. WHITE. Mr. President, I cannot resist the impulse to pay a brief word of tribute to the Senator from Tennessee. I think what has been accomplished in the orderly handling of our fiscal affairs is largely attributable to the efforts of the senior Senator from Tennessee. All through consideration of the appropriation bills he has shown patience, kindness, and an amazing knowledge of the fiscal affairs of the Government; and I have been intrigued by, and I have grown to admire, the vigor and the picturesqueness with which the Senator from Tennessee advocates the causes in which he believes, and denounces those he believes to be wrong.

Out of a long experience, Mr. President, permit me to say that in my judgment the Senator from Tennessee is one of the great legislators who has served in the Congress during the last third of a century.

Mr. McKELLAR. Mr. President, I thank the Senator with all my heart.

**SECOND DEFICIENCY APPROPRIATIONS—
CONFERENCE REPORT**

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5040) making appropriations to supply defi-

ciencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1944, and June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 45, and 46.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$179,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Provided further, That none of the funds appropriated in this Act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of processed fruits and vegetables which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"PRINTING AND BINDING

"The limitation of \$8,500,000 under the appropriation "Printing and binding, Navy Department", contained in the Naval Appropriation Act for the fiscal year 1945, on the amount of printing and binding executed at the Government Printing Office, including technical and instructional printing and publications, which may be procured with funds appropriated for the Naval Establishment, is hereby increased to \$18,500,000."

And the Senate agree to the same.

KENNETH McKELLAR,
M. E. TYDINGS,
RICHARD B. RUSSELL,
JOHN H. OVERTON,
RUFUS C. HOLMAN,
CHAS. GURNEY,

Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
D. LANE POWERS,

Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask that the conference report be considered and agreed to.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was considered and agreed to.

Mr. McKELLAR. Mr. President, are there any further motions which should

be made, or can the bill now go to the President?

The ACTING PRESIDENT pro tempore. The conference is in complete agreement, and the conference report has been agreed to. That completes legislative action on the bill.

Mr. BARKLEY. Mr. President, now that action on the last appropriation bill has been finally completed, I wish to join in the tribute paid to the Senator from Tennessee [Mr. McKELLAR] as the acting chairman of the Appropriations Committee. I not only congratulate the Senator from Tennessee on the fact that these enormous appropriations have been completed at an earlier date, before the termination of the fiscal year, than in any other year I remember, but I also congratulate him on the enormous amount of work he has been able to accomplish as the acting chairman of the Committee on Appropriations.

Not only has he shown great knowledge of the details of the financial set-up of our Government but he has exhibited a remarkable degree of discretion in deciding, so far as he was personally concerned, and so far as acting as acting chairman of the committee was concerned, the merits and demerits of many of the items which have come before the Committee on Appropriations and before the Senate.

I hope the Senator from Tennessee will take advantage of the recess which we are about to take in order to obtain a well deserved rest. I may also say that I hope other Senators, who have labored here almost continuously since 1939, will take advantage of the brief recess which we are about to take in order to renew not only their strength physically, but their contacts with constituents whom they represent, that being essential in order that we may have real representative government.

Mr. McKELLAR. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in just a moment. Every Senator will have an opportunity to get into the Record everything which he wants to have put in. In the meantime, I wish to have some business transacted.

Mr. MAYBANK. Very well.

**PHILIPPINE REHABILITATION
COMMISSION**

Mr. BARKLEY. Mr. President, Senate Joint Resolution 94, which established the Philippine Rehabilitation Commission, has been adopted by both Houses. It has not yet been signed by the President. One of the provisions of the joint resolution is that the members of the Commission shall be appointed not later than 15 days following the passage of the act. It provides that certain of the appointments shall be made by the President of the Senate. Inasmuch as we are about to recess, in all likelihood the 15 days will have expired following the enactment of the law, which is completed by the President placing his signature to the act, before Congress will reassemble. Therefore I ask unanimous consent that the Acting President pro tempore of

the Senate be authorized during the recess of the Congress to make the appointments authorized by the joint resolution to be made by the President of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

DOMESTIC STABILITY, NATIONAL DEFENSE, AND PROSECUTION OF WORLD WAR NO. 2

Mr. BARKLEY. Mr. President, I have one other matter to present. In October 1942, Seventy-seventh Congress, second session, there was printed Senate Document 285, dealing with the domestic stability, national defense, and prosecution of World War No. 2. I have before me a compilation of the information up to date in chronological form, bringing Senate Document 285 up to date, with such revisions and additions as may be necessary.

I ask unanimous consent that the document be reprinted with the additions and revisions set out in chronological order, so as to make it complete up to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INFANTRY DAY

Mr. HILL. Mr. President, as we know, June 15 was Infantry Day. The War Department called upon the people of the country to pay tribute to our infantrymen. Before the War Department had set aside June 15 as Infantry Day, it sent a letter of inquiry to our theater commanders overseas as to what they thought of Infantry Day. I wish to read to the Senate the answer to that inquiry made by General Stilwell, who we know is today in command of our forces on the Burma-India front. It is a fine tribute to the infantrymen, and I know of no better way of ending the session than by reading this tribute. General Stilwell writes:

I am against an Infantry Day. Every day is Infantry Day where the fighting is going on. Every day is Infantry Day where the men are too hungry, scared, wet, dry, hot, cold, or exhausted but still determined to plug ahead to their unknown destination. These pluggers are the backbone of our armed forces, the guys with the rifle and bayonet who slug it out personally with the enemy. The front line of battle is the line where the infantryman stops. We win if he gets ahead; we lose if the enemy overruns him. Give him a day? The doughboy doesn't need a day to be remembered. His example of unselfish effacement of individuality for the common good is before us every day and he is remembered for it in millions of American homes. The doughboy doesn't need a day. Let somebody else have it.

Mr. President, I wish to join with General Stilwell in his tribute to the American infantryman.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. REED (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that today, June 23, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1232. A bill to provide equitable compensation for useful suggestions or inven-

tions by personnel of the Department of the Interior;

S. 1588. A bill for the relief of the legal guardian of Eugene Holcomb, a minor;

S. 1593. A bill for the relief of the heirs and assigns of Widow Cesaire De Blanc;

S. 1634. A bill to provide for the management and operation of naval plantations outside the continental United States;

S. 1669. A bill to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets;

S. 1718. A bill to provide for the settlement of claims arising from terminated war contracts, and for other purposes;

S. 1748. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States", approved October 16, 1941, as amended, to continue it in effect.

S. 1764. A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes;

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; and

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

AMENDMENT OF CANAL ZONE CODE—CONFERENCE REPORT

Mr. PEPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

CLAUDE PEPPER,
TOM STEWART,

Managers on the part of the Senate.

S. O. BLAND,
ROBERT RAMSPECK,
RICHARD J. WELCH,

Managers on the part of the House.

Mr. BARKLEY. Mr. President, is this the conference report with reference to Panama Canal officials?

Mr. PEPPER. It is.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

NOTICE BY SENATOR DAVIS OF SPEECH ON PHILIP MURRAY

Mr. DAVIS. Mr. President, when the distinguished Senator from North Carolina [Mr. BAILEY] returns to the Senate following the recess I shall make a statement with reference to Mr. Philip Murray, president of the C. I. O., and of the United Steel Workers. For more than 30 years Mr. Murray has been a resident of Pittsburgh, my home city.

EXPRESSIONS OF APPRECIATION

Mr. WHITE. Mr. President, I came to my present seat, across the aisle from that of the distinguished majority leader,

through a most unhappy mischance, through an event which brought grief and a sense of loss to us all. As I have sat here and tried to meet the obligations imposed on me, I have always been encouraged and warmed by the kindness and consideration shown me by the distinguished majority leader. I shall always appreciate his attitude. I want him to know, and I want all Senators to know, that I am deeply grateful for the courtesies he and all other Members of the Senate have shown me.

Mr. BARKLEY. Mr. President, I thank the Senator from Maine, and in return for his generous remarks I wish to express my appreciation for the cooperation which he and his associates on the other side of the aisle have accorded me in the performance of my duties as majority leader.

Mr. WHITE. I thank the Senator from Kentucky.

CONDITIONAL ADJOURNMENT TO AUGUST 1, 1944

Mr. BARKLEY. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under Senate Concurrent Resolution 46, until Tuesday, August 1, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 23 (legislative day of May 9), 1944:

TERRITORY OF ALASKA

Llewellyn M. Williams, of Alaska, to be secretary of the Territory of Alaska, vice Edward L. Bartlett.

UNITED STATES TARIFF COMMISSION

George Z. Barnes, of Illinois, to be a member of the United States Tariff Commission for the term expiring June 16, 1947, vice Fred H. Brown.

George McGill, of Kansas, to be a member of the United States Tariff Commission for the term expiring June 16, 1948, vice A. Manuel Fox.

IN THE MARINE CORPS

Steve J. Cibik, a citizen of Pennsylvania, to be a second lieutenant in the Marine Corps from the 4th day of May 1943.

Henry S. Lewis, Jr., a citizen of Ohio, to be a second lieutenant in the Marine Corps from the 29th day of October 1943.

Platoon Sgt. John J. Kuhn, a meritorious noncommissioned officer of the Marine Corps, to be a second lieutenant in the Marine Corps from the 12th day of January 1944.

The below-named citizens to be second lieutenants in the Marine Corps from the 4th day of February 1944:

Robert B. Carney, Jr., a citizen of the District of Columbia.

Kenneth W. Kolberg, a citizen of Wisconsin.

The below-named citizens to be second lieutenants in the Marine Corps from the 2d day of May 1944:

Robert J. J. Picardi, a citizen of Massachusetts.

Morse "L." Holladay, a citizen of Arizona.

Robert E. LaPointe, a citizen of Colorado.

Richard C. Peck, a citizen of Massachusetts.

William J. Cochran, a citizen of New Jersey.

William M. Walker, a citizen of Florida.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23 (legislative day of May 9), 1944:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

James P. Moffitt
David McK. Key

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Robert B. Memminger
Harlan B. Clark

TERRITORY OF ALASKA

Llewellyn M. Williams to be Secretary of the Territory of Alaska.

TERRITORY OF HAWAII

Gerald Robert Corbett to be Secretary of the Territory of Hawaii.

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Ernest Joseph Dawley to be a brigadier general, for temporary service, in the Army of the United States.

IN THE NAVY

TEMPORARY SERVICE

Robert O. Glover to be a rear admiral in the Navy, for temporary service, to rank from July 22, 1942.

Frank E. Beatty, to be a rear admiral in the Navy, for temporary service, to rank from January 31, 1943.

IN THE MARINE CORPS

TEMPORARY SERVICE

Clifton B. Cates to be a major general in the Marine Corps, for temporary service, from February 1, 1944.

POSTMASTERS

ARKANSAS

William F. Chaney, Lonoke.

CALIFORNIA

Martha E. Lofton, Big Bend.
Edward F. Schobert, Lathrop.
Fred B. Rossi, St. Helena.
Charles H. Elgar, San Gabriel.

COLORADO

Lois E. Landreth, Bayfield.
Arthur S. Dean, Las Animas.

FLORIDA

Mildred K. Clark, Fruitland Park.

GEORGIA

Elizabeth McL. Gibson, Grovetown.
R. Pate Watson, Hawkinsville.

HAWAII

Edith A. Willey, Makawao.

ILLINOIS

Mary E. Jaco, Woodlawn.
George E. Perrine, Zeigler.

INDIANA

John M. Coffin, Arlington.
Oliver W. Crone, Borden.
Oliver W. Summerville, Burns City.
Orace Oakel Welden, Francesville.
Carl M. Buchanan, Guilford.

IOWA

Eugene J. Halligan, Davenport.
Achsa F. Lookabill, Hastings.
Frank A. Riser, Lansing.
Fae A. Deitchler, Silver City.

KANSAS

Ivan R. Cordill, Bern.
Florian A. Glotzbach, Paxico.

KENTUCKY

Virginia P. Howard, Fountain Run.

LOUISIANA

Hazel D. Womack, Chatham.

MICHIGAN

Clifford B. Dabney, Almont.
Barbara B. Burwell, Baldwin.
Bertha A. Jurmu, Bruce Crossing.
Carleton A. May, Camden.
Minnie H. Nash, Holton.
D. D. Harris, Lansing.
William H. Cuthbertson, Ludington.
Verna E. Cameron, Lyons.
Paul A. Curtis, Middleton.
Aaron R. Merritt, Mulliken.
Bernath S. Ernst, Nunica.
William M. Flachs, Remus.
Helen L. Young, Riverdale.
Ruth A. Huntley, Stanwood.
Gary D. Howell, Willis.

MISSISSIPPI

Archie Patterson, Pinola.
Clara L. Wright, West Enterprise.

MISSOURI

Roy W. Moore, Hickman Mills.

MONTANA

Eugene E. Dickerson, Warm Springs.

NEW JERSEY

Fred Gordon Lowden, Leesburg.
Catherine E. Kenny, Mountain Lakes.

NEW YORK

Ruth C. Davis, Brookfield.
Hugh A. McCargar, East Pembroke.
Joseph M. Kelly, Tarrytown.

NORTH CAROLINA

John Holman Hawley, Goldsboro.
Martha C. Newman, Milton.

OHIO

Mary I. Timko, Barton.
Helen G. Casenhiser, Clinton.
Florence Wilcox, Deerfield.
Herman C. Reisdorf, Gahanna.
Marjorie R. Heinrichs, Hamler.
Homer T. Gates, Moscow.
Arthur W. Dawson, North Lawrence.
Raymond E. Schryver, Warren.
Harry R. Eastwood, West Richfield.

OKLAHOMA

Jesse L. Brown, Cleo Springs.
Betty Brown Hunt, Dacoma.
Josie Michael, Krebs.
Ida M. Duke, Ninnakah.
Leilah V. Walker, Spavinaw.

OREGON

Walter W. Mascal, Dayville.
Fred O. Parsons, Hammond.
Isabella E. Lee, Jordan Valley.

PENNSYLVANIA

John O. Whiteman, Claridge.
William D. Thompson, Crucible.
Clarence R. Kring, Davidsville.
Edward A. Schoeffel, Evans City.
Vernon M. Hatch, Forksville.
Gertrude M. Reed, Great Bend.
John Stipanovich, Harwick.
Carrie Walpusk, Jenners.
Robert Stanley Davis, Kimberton.
Dorothea B. Wright, Morton.
Ralph W. Whipkey, Ohioyle.
Edward F. Kapteina, Springdale.
Charles D. Witman, Thomasville.
Pauline J. Ceryak, Tire Hill.

SOUTH CAROLINA

Anna F. Foy, Early Branch.
Mattie H. Graham, Pomaria.

VIRGINIA

Frank L. Thompson, Hot Springs.

WEST VIRGINIA

Arzana M. Ward, Arthurdale.
Irvin G. Bowman, Petersburg.
Benjamin F. Hall, Thorpe.

WISCONSIN

Josephine H. Webster, Onelda.
George H. Geisler, Ridgeland.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 23, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Ou Heavenly Father who hast crowned our days with goodness and mercy, in all our labors we would magnify Thy holy name. In the Christ of glory are all the mercies of one God, all of the hopes of the races of men and all the joys of saints born and unborn. No matter what the future may hold, Thou art the secret of wisdom; Thou wilt brave the thick shadows which are cloaking our world and will make secure the cornerstone of our most holy faith "Emmanuel—God with us."

Most gracious Lord, we pray for a religion that expresses the deepest, the warmest, and the strongest sentiments of our hearts; not intellectual appreciation alone, but full of wonder, gratitude, and trust. O grant that our creed may breathe the spirit of sacrifice and self-renunciation. Thou who knowest every need, hold us in the present stress of life by faith in Thy love, by the consciousness of Thy presence and by the memory of those with whom we are associated. As we separate for a while, O keep us beneath the shadow of a great protection, for we know that naught Thou hast made above, below, can part us from the Shepherd's tender care.

The Lord bless you and keep you. The Lord make His face to shine upon you and be gracious unto you; the Lord lift the light of His countenance upon you and give you peace.

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 4466. An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights;

H. R. 4810. An act to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands; and

H. J. Res. 133. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1173. An act to provide for staying judicial proceedings against the United States in time of war, on claims for damages caused by vessels of the Navy, or for towage or salvage services to such vessels, when the Secretary of the Navy certifies that the prosecu-